



Daily Report

Central Eurasia

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CIS Interparliamentary Assembly Session Held

Shumeyko Opens Session 13 May

*LD1305120095 Moscow ITAR-TASS in English
1134 GMT 13 May 95*

[By Svetlana Ivanova]

[FBIS Transcribed Text] ST. PETERSBURG May 13 (Itar-Tass) — The sixth plenary session of the CIS Interparliamentary Assembly opened in St. Petersburg today.

The session is attended by delegations of all CIS members except for Uzbekistan.

The session's 23-item agenda centers on coordination of law-making in the CIS states.

The interparliamentary session is to pass the second part of a model civil code, a criminal code and a code of criminal procedure for the CIS.

The session will give scrutiny to a draft convention on the Interparliamentary Assembly which is to be passed in late May by CIS heads of state for ratification by national parliaments.

Vladimir Shumeyko, chairman of the Interparliamentary Assembly Council, said in an opening address that the assembly's potential "is not fully used" as documents passed by it are only guidelines which are not implemented at a national level.

To improve the control of compliance with the assembly's resolutions, Shumeyko proposed that a monitor group be set up with representation in each national parliament.

Assembly Approves 11 Documents

*LD1305190895 Moscow ITAR-TASS in English
1743 GMT 13 May 95*

[By Svetlana Ivanova]

[FBIS Transcribed Text] ST. PETERSBURG, May 13 (Itar-Tass) — The sixth plenary session of the CIS Interparliamentary Assembly has approved 11 legislative acts dealing with a number of topical issues confronting ex-Soviet republics.

The approved legislative acts cover such areas as the migration of labour in the CIS, general principles of the protection of consumer rights, the protection of civilians and the rights of prisoners of war and veterans of special risk units.

The delegates paid special attention to the need to unify the civil legislations of the CIS countries and approved the fourth section of the model civil code entitled "Special Types of Obligations."

The parliamentarians believe that its speediest adoption on the basis of the national codes of the CIS states will help step up economic relations within the CIS Economic Union.

The session also approved a concept of a model criminal and procedural code and decided to continue work on a model criminal code for the CIS countries.

Of no less importance were the issues connected with the efforts to increase the role of the CIS Interparliamentary Assembly. To this end, the delegates decided to submit their proposals on changes and alterations to the CIS Charter to the CIS Council of the Heads of State. The proposals particularly call for raising the Assembly's status and broadening its rights.

The participants in the session also approved the flag and the emblem of the CIS. In addition, they adopted a resolution to increase parliamentary influence on the fulfilment of interstate obligations in the CIS in the spheres of security and military cooperation.

The delegates adopted a number of recommendations concerning the principles of scientific, educational and cultural cooperation between the CIS states.

The Assembly will hold its seventh plenary session in September.

Recommends Laws for Protecting Civilians

*LD1405142295 Moscow INTERFAX in English
1246 GMT 14 May 95*

[FBIS Transcribed Text] ST. PETERSBURG, May 14 (Interfax) — The CIS Inter-Parliamentary Assembly has recommended that the CIS countries adopt laws on protecting civilians during armed conflicts and defending the rights of war prisoners.

The Inter-Parliamentary Assembly approved as a recommendation a legislative act on defending civilians and the rights of war prisoners at Azerbaijan's proposal during its meeting in St. Petersburg on Saturday. The document must be applied "if a country becomes a party to an inter-state conflict (war) or if a domestic conflict emerges on the country's territory between two or more parties even if one of these parties does not recognize the existence of such a conflict."

The document prohibits violence against lives, health, physical and spiritual state of civilians in the conflict zone as well as humiliation of human dignity, seizure of hostages, deportation from occupied territory, forced removal of a part of the population of the country-occupant to seized territory, robbery and elimination of the property which is not necessary for military actions.

Infringement on lives, health, physical security and human dignity of war prisoners must be prevented. War prisoners cannot be used as a shield for military actions. They cannot be executed without trial. Judicial decisions on war prisoners must be made in accordance with international law.

The document stipulates that the status of war prisoners will not be applied to spies and mercenaries.

The document stipulates that a country involved in an inter-state conflict or on whose territory a domestic conflict emerges must appoint a "state-protector" which will "impartially ensure" application of this document by conflicting parties. If such "states-protectors" are not appointed in a two-week term their functions will be performed by the Red Cross International Committee.

Chairman of the Russian Federation Council and the CIS Inter-Parliamentary Assembly Council Vladimir Shumeyko told an Interfax correspondent at a press conference in St. Petersburg on Saturday that the document would be applied to all armed conflicts on the CIS territory, including the Chechen conflict.

Rescheduling of CIS Countries' Debts Viewed
MM0405161195 Moscow KOMMERSANT-DAILY
in Russian 3 May 19 95 p 4

[Article by Grigoriy Selyaninov and Konstantin Levin:
"There Will Be No Debt Amnesty"]

[FBIS Translated Text]

**THE STATE DEBTS OF THE CIS COUNTRIES TO
RUSSIA**

1) under state credits granted in 1992 and the first six months of 1993 as a result of the rescheduling of debts on technical credits

Countries	Sum (million \$)	Repayment schedule	Percent (LIBOR [London Interbank Offered Rate])
Azerbaijan	81.5	1994-1997	LIBOR + 0.5
Armenia	45.1	1996-1999	2.5
Belarus	385.4	2000-2007	not calculated (for overdue indebtedness LIBOR + 1)
Georgia	35.0	1994-1997	LIBOR + 0.5
Kazakhstan	1250.0	1996-2000	LIBOR + 1

1) under state credits granted in 1992 and the first six months of 1993 as a result of the rescheduling of debts on technical credits

Kyrgyzstan	115.0	1995-2000	LIBOR + 1
Moldova	88.9	1994-1997	LIBOR + 1
Tajikistan	127	1996-2000	LIBOR + 0.5
Turkmenia	135 billion rubles (footnote 1)		
Uzbekistan	418	1996-2002	LIBOR
Ukraine	2500.0	1994-1999	LIBOR + 1

2) under state credits granted in the second half of 1993

Countries	Sum (millions of dollars)	Repayment schedule	Percentage
Armenia	26.8	1996-2000	LIBOR + 1
Belarus	60.9	2001-2008	LIBOR + 1
Georgia	6.3	1995-1997	LIBOR + 1
Kazakhstan	56.0	1995-1998	LIBOR + 1
Moldova	21.4	1995-1998	LIBOR + 1
Tajikistan	115.0 (footnote 2)	1996-2000	LIBOR + 0.8
Uzbekistan	92.3 (footnote 3)	1995-2002	LIBOR + 1.5
Ukraine	203.9	1994-1995	LIBOR + 1

Footnotes:

1. The agreement is in the stage of completion.
2. Including 120 billion rubles [R] which will be repaid after the introduction of a national currency in Tajikistan.
3. As of the present time the Ministry of Finance and the Central Bank of Russia have not agreed on the basic parameters of an agreement on the cash loan of \$50 billion granted to Uzbekistan in 1993.

The English are right in claiming that the devil lies in the detail. The more abstract the discussion of economic integration within the CIS, the more consensus the protagonists demonstrate. But as soon as the issue of specific steps is broached, almost all of them at once express a desire to take up a special position. Nevertheless, there is marked progress on what is virtually the key question — the debt problem, as is attested by the replies of Valeriy Serov, head of the Ministry for Cooperation With CIS Countries, to KOMMERSANT-DAILY. Moreover: On the eve of May Day a multilateral meeting of experts was held

in Minsk, at which precisely these questions were discussed.

Strange as it may seem, it is known with complete accuracy when the idea of a CIS ruble zone died. This happened in March — the Tajik parliament adopted a decision on preparing for the introduction of a national currency and instituted a special state commission with this aim in view. The choice in favor of world experience means that hopes that the ruble zone would annul all debts (several CIS capitals cherished such hopes only recently) evaporated, and the existing problems in the credit sphere will have to be resolved in a civilized way. It has become clear once and for all that currency and credit relations in the Commonwealth will be regulated by payment agreement. So far only an albeit fundamental, but, all the same, the least controversial point of this agreement has been fulfilled: The member countries accept as a reality that each of them possesses its own currency. Today the CIS states are getting to grips with the elaboration of a step-by-step procedure for resolving the problem of repaying their mutual debts. Moreover, the search is proceeding mainly at a bilateral level. Nor would it be headline news to say that the Russian Ministry for Cooperation With CIS countries is fulfilling in this not only the functions of interstate committees (an economic committee and a currency committee that is set up in the framework of the implementation of a payment agreement) but also that of a Moscow Club (by analogy with the Paris Club).

The first swallow of this new spring of economic integration was the Rescheduling of Ukraine's debt to Russia [see diagram below]. All the signs suggest that, for all the diversity of bilateral credit relations, this will be viewed by the interested sides in the CIS as a precedent. Its terms are as follows: Kiev paid off by 31 March the interest on the state credit from 24 June 1993, and the interest on the overdue payments on this credit by 10 April. For its part Russia postponed the repayment of the major part of Ukraine's debts until 1995-2007. Agreements will obviously be in the form of a similar package in future. Minsk is also ready to apply the Russian version of converting technical credits (which are effectively interest-free) into state credits with clear conditions for repayment with regard to its own debtors.

The progress is obvious, and it has not gone unnoticed. At the end of April the law "On the Rescheduling of the Indebtedness Under State Credits Granted by the Russian Federation" passed its first reading in the State Duma. The Duma assumes direct control of the agreements on Rescheduling debts to the CIS countries. [sentence as published] According to the draft law, all such agreements are liable to ratification, irrespective of the

size of the debt. In principle, this formulation of the question is entirely logical, and, not surprisingly, has provoked no objections from the government. However, it is already clear that political slants are inevitable. Deputy Sergey Stankevich — better known in recent times, it is true, as a subject of keen interest for the General Prosecutor's Office rather than as a politician — submitted to the Duma his draft law on rescheduling. Its distinguishing feature is linking the rescheduling of debts to the status of the Russian-speaking population. And it is obvious that, irrespective of the fate of Stankevich's bill, the Duma will employ the practice of linkage, thereby demonstrating its readiness to use instruments of economic pressure against Russia's debtors. And refusing to reschedule debts is only a first step, which could be followed by the suspension of important supplies and insistence on paying debts in the form of conceding property rights on the territory of the debtor country, and so forth. And Georgia, Azerbaijan, Kazakhstan, Kyrgyzstan, and Moldova are already waiting in line for rescheduling.

In order that the Russian model for relations with debtors from the CIS should not incur losses, Moscow must actively seek to win a place in the Paris Club, moreover, on the creditors' bench. (Moreover, entry into the Paris Club as a creditor would facilitate the solution of Russia's own debt problems.) In the opposite event, it cannot be ruled out that Russia's debtors will agree in Paris on more preferential terms for the repayment of debts, and then, in line with the Club's practice, Moscow would be willy-nilly forced to accept these terms. It is clear that it will be very difficult for Russia to secure the right to play in both teams of the Paris Club — the creditors' and the debtors'. However, emphasizing the special role which Russia objectively plays on the expanses of the former USSR could play a part.

Parameters of the Rescheduling of Ukraine's Debts to Russia

Size of Payments (in millions of dollars)	Types of Payments	Due Date of Payments Before Rescheduling	Due Date of Payments After Rescheduling
11.54	Payment of interest on the state loan granted in 1993 from 24 June 1993	1994	31 March 1994 (Footnote 1)
56.46	Payment of interest on overdue payments in the repayment of the 1993 state loan from 24 June 1993	1994	10 April 1995 (Footnote 2)
67.97	Repayment of the main debt under state credits granted in 1993 from 24 June 1993	1995	20 March 1997
484.64	Repayment of the main debt under state credits granted in 1992-1993 from 26 May 1993 and the state credit granted in 1993 from 24 June 1993	1993-1994	1997-2007 (Footnote 3)
160.22	Payment of interest on the 1992-1993 state credit from 25 May 1993	1993-1994	1997-2007 (Footnote 4)
416.67	Repayment of the main 1992-1993 debt under state credit from 26 May 1993	1995	1997-2007

Footnotes:

1. The payment was made 25 March 1995.

2. The payment was made 4 April 1995.

3. Repayment of one-fifth of the total sum of the restructured debt with the addition of interest at the rate of LIBOR + 1.5 percent from 1 January 1995.

ITAR-TASS Carries Press Review for 13 May

LD1305055895 Moscow ITAR-TASS in English
0458 GMT 13 May 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW May 13 Tass — Today's newspapers concentrate on the founding congress of the All-Russian social and political movement "Our Home Is Russia", which was held here on May 12.

The army newspaper KRASNAYA ZVEZDA notes that the motto of the new movement which came to the Russian political arena, is "Stability". Stability in the economy, politics and the social sphere.

The congress impressed by the unprecedentedly high level of representation, the IZVESTIYA newspaper writes. It was attended by "captains of industry, bankers...". On May 12, Moscow witnessed the birth of a big political bloc, unchallenged for its potential financial and political possibilities.

"At the same time, a person having no grounds to claim the role of national leader stepped onto the political stage of the country from behind the side-scenes — Prime Minister Viktor Chernomyrdin," the daily notes.

"The established 'party of authority' can be contested by 'a party of force'. Incidentally, power-wielding ministers did not attend the congress," the newspaper writes.

"Thus, the party of authority has been founded and intends, in the near future, to actively gain flesh on its sufficiently strong skeleton," comments the NEZAVISIMAYA GAZETA newspaper.

"The bloc's council consists of 126 people, and actually half of them are the leaders of executive structures at the federal and regional levels. There are also many leaders of old industrial structures diluted with new businessmen, scientists, educators and men of culture."

KRASNAYA ZVEZDA deals with the expiration of the moratorium on the use of armed force in Chechnya. According to the newspaper, these 15 days turned, regrettably, into a unilateral ceasefire: separatist leader Dudayev's gunmen were not very scrupulous in observing moratorium conditions.

But the main thing is that Dudayev's armed detachments got a desired respite over these two weeks, which gave

them a chance to regroup their forces, to replenish arms and ammunition and to make a fool of the federal command in Chechnya by a semblance of talks.

Americans were, above all, interested in completing the withdrawal of nuclear weapons from the Ukrainian territory, stresses the ROSSIYSKAYA GAZETA newspaper in connection with U.S. President Clinton's visit to Kiev.

The Ukrainian side bluntly put the question on its participation in the coming G-7 summit in Halifax to spell out the needs of Ukrainian reforms to the shareholders of the world's most prestigious club.

Following Russia, the newspaper continues, "it is now turn for Ukrainians to believe that it is America that will give them decisive and beneficial aid in making

sweeping economic changes. Kiev has not lost yet illusions. Everything is still in future."

Out of international topics, the ROSSIYSKIYE VESTI newspaper singles out the end of the International Conference on the extension of the Nuclear Non-Proliferation Treaty.

Despite differences, the newspaper states, supporters of the treaty's unlimited prolongation (Russia among them) eventually managed to win a majority vote, enough to take a decision on the treaty's unlimited operation.

According to NEZAVISIMAYA GAZETA, the resolution of the New York conference considerably strengthened global security.

Chernomyrdin: Summit Sufficiently Constructive

LD1505141095 Moscow ITAR-TASS in English
1342 GMT 15 May 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW May 15 (Itar-Tass) — The recent Russian-American summit in Moscow was of sufficiently constructive nature, despite difficult questions under discussion. "We appraise it as successful on the whole," Russian Premier Viktor Chernomyrdin said at a meeting with the heads of leading American Jewish organisations here on Monday.

Russia is interested in developing and strengthening Russian-American relations. "We should like our relations to be of more pragmatic nature," the premier stressed. The Russian-American dialogue is of great importance for the entire world community, the prime minister noted. "We are satisfied with that part of the dialogue, which was held in Moscow during the Victory celebrations."

Chernomyrdin stressed that he was glad to continue meetings with leading American organisations, which were started in Washington during the premier's last visit to the United States last year.

Today's meeting to which the heads of Russian Jewish organisations were also invited, was attended by Mark Staitman and Malcolm Geline, executive vice-presidents of the National Conference on Soviet Jewry (NCSJ), Lester Pollack, chairman of the Conference of Presidents of Major American Jewish Organisations, Mark Levin, NCSJ executive director and Leon Levi, president of the Federation of American Sefard Jews.

The Russian side was represented by Adolf Shayeich, chairman of the Congress of Jewish Religious Communities and chief rabbi of the Moscow central synagogue, Vladimir Dvingskiy, board chairman of the Moscow Jewish Cultural and Enlightenment Society, Mikhail Chlenov, chairman of the VAAG Jewish Organisation, and prominent publicist Alla Gerber, member of the Russian parliament lower house.

Zhirinovskiy Calls Clinton Visit 'Blasphemous'

LD1205161595 Moscow ITAR-TASS in English
1536 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — Russian ultra-nationalist Liberal Democratic party [LDP], led by Vladimir Zhirinovskiy, said on Friday that U.S. President Bill Clinton had used his Moscow visit to deliver instructions to Russia's fifth column.

"U.S. President Bill Clinton openly gathered and instructed behind closed doors the entire leadership of the

fifth column, main collaborationists from among people with Russian citizenship", the LDP press service said in a statement.

The statement went on saying that the LDP's position, as well as the position of Zhirinovskiy himself, had been specified in a message by Mikhail Burlakov, MP, to the U.S. Embassy in Moscow.

The message called Clinton's visit to Moscow "blasphemous" as "U.S. secret services have done their best to deprive us of the fruits of that Victory (in WWII)".

"You have unleashed World War Three against Russia. America is responsible for bloodshed in Yugoslavia, Iraq and Libya", the press service quoted Burlakov's message as saying.

Summit Said Successful Amid Modest Expectations

MK1305063095 Moscow SEGODNYA in Russian
12 May 95 p 9

[Report by Vladimir Abarinov under the "Summit" rubric: "Moscow and Washington Have Held Their Own. The Presidents Have Managed Not To Worsen Relations"]

[FBIS Translated Text] On the eve of the Russian-U.S. summit, both sides — like eight months ago — in unison warned the public that one should not expect any "breakthroughs." Representatives of the Russian Foreign Ministry stated that the summit will not be "multi-profile," and U.S. State Department officials said that they did not plan to come home "with trophies" in the form of any major agreements. It seems that Moscow and Washington have deliberately lowered the level of expectations so that the summit results could look more spectacular. At the same time, the Americans — being fully aware of the fact that it is Yeltsin who needed the summit most — promised to consider all of the items on the agenda.

This agenda consisted entirely of irritating subjects, and officials both in Moscow and Washington have not shown the slightest desire to whitewash the differences — quite the contrary, they even tried to aggravate them. This is true, for instance, as regards the Russian-Iranian nuclear contract. Two weeks before the summit, the Americans said that, according to their information, Russian Atomic Energy Minister Viktor Mikhaylov intended to deliver to Iran not only light water reactors, but also gas centrifuges, designed for uranium enrichment. Andrey Kozyrev had to make a statement that he knew nothing about this agreement. Searching for any additional claims to be made, the Americans even remembered the notorious Krasnoyarsk radar, set up in violation of the ABM treaty but dismantled long ago.

The mere fact that differences exist is not a catastrophe. This was the essence of Warren Christopher's statement on 4 May, saying that — unlike during the Cold War — contradictions between Moscow and Washington are not leading to a crisis. Strictly speaking, summits are necessary precisely at times when the sides are unable to come to an agreement at a lower level, rather than when there is peace and harmony in bilateral relations. For Boris Yeltsin, however, such a situation is rather peculiar — he likes his meetings to be "epoch-making." This is, probably, where an important lesson should be learned by our president: Having had a bitter experience, apparatchiks refused to take upon themselves the responsibility for fundamental political decisions and did not want, as in former times, to hurry for a set date.

Congressmen turned the visit to Moscow into a political problem, but it was the Kremlin that politicized its invitations. The U.S. Administration has aptly made use of this situation. As a result, the very fact of Clinton's visit looked like a political concession, naturally requiring reciprocal steps. On 9 May, Clinton was fully enjoying the role of guest star and central figure, and being made the object of a great fuss. It was interesting to see how, before the ceremony on Poklonnaya Hill began, Yeltsin and Chernomyrdin hurriedly made their wives move to the second row, in order to let Clinton and Hillary sit beside them. A former nomenklatura expert on the United States, who knows well how to arrange things of this kind, explained that in the Kremlin they decided to combine the summit with festivities, so that the Russian president could "pass through it as easily as possible." Perhaps it turned out that way, indeed, but the thing is that Clinton was in need of "passing through," too.

The most intriguing part of the meeting was certainly the Iranian contract. Two days before the negotiations, Andrey Kozyrev — who had earlier hinted that a compromise was possible — stated all of a sudden that Moscow would give up the deal if convincing evidence of the military implications of the Iranian nuclear program were presented. As far as is known, U.S. Defense Minister Perry has indeed handed over such a file to the Russian side. A competent source who has read this document told the SEGODNYA correspondent that it contained no particularly new intelligence information. Quite another thing is the centrifuges or, still worse, "silos," mentioned by Yeltsin at the press conference — this part of the deal in no way fits the civil contract. Russian diplomats do not understand how the Atomic Energy Ministry managed to include in the contract some elements of military significance, and assure that not only in the Foreign

Ministry, but also in the Kremlin nobody knew anything about this.

Anyway, Yeltsin publicly promised Clinton that no such delivery will be effected. According to Yuliy Vorontsov, the Russian ambassador to Washington, Moscow will probably have to refuse to train Iranian nuclear physicists in Russia; as a result of these adjustments, it will lose half of the contract's total sum, i.e., about \$500 million. The remaining half, as is known, will be analyzed by the Gore-Chernomyrdin Commission as to its compliance with the nonproliferation regime.

The Americans have no grounds to regard the presidents' agreement as their success or a compromise. Atomic Energy Minister Viktor Mikhaylov has already stated that the work on the site in Bushehr will not be stopped. Certainly, discussions of experts will continue, but the political acuity of the problem has already been alleviated.

The Iranian subject, however, does not end with this. At the summit, a joint statement was adopted which, for some strange reason, has been overlooked by all of the commentators. In this document, the Russian president confirms — and the U.S. President welcomes — the obligation not to conclude any new contracts on the sale of armaments and "related products" to Iran. Chernomyrdin and Gore have been tasked "to implement specific aspects of this problem in an agreement" in June at the latest. In his turn, Bill Clinton has undertaken to back up Russia's participation, as a founding state, in multilateral negotiations on the new regime of oversight regarding arms trade and dual-purpose technologies.

Little progress was also made on the problem of Russia's observance of the Conventional Forces in Europe Treaty. At the press conference, Boris Yeltsin mentioned that the United States fully supported Moscow's claims to revise the former USSR's flank quotas. Clinton, however, corrected this statement, in a delicate way: The agreement is to be implemented in its present form, and then — at the conference — a question on its revision can be raised.

A large part of the joint statements made at the meeting — four out of six — dealt with security problems. SEGODNYA commented yesterday on the statement regarding antimissile defense. As Yeltsin explained, by making statements on nonproliferation and "on transparency and irreversibility of the nuclear arms reduction process," the presidents wished to urge the participants in the New York Nuclear Weapons Nonproliferation Conference to make a decision on an indefinite prolongation of the treaty. Incidentally, by the time the document was made public, it had already

become known that the indefinite prolongation had been supported by a majority of votes, and the only problem that remained was that of a consensus, which would be good to achieve for everybody to be happy.

Nevertheless, the adherence of the nuclear states to their obligations under Article VI of the Nuclear Weapons Nonproliferation Treaty, envisioning nuclear disarmament, is of great significance, even outside the forced problem of consensus. In so doing, Moscow and Washington confirm their intention to implement the START II treaty and to continue negotiations. To implement this, however, the document has to be ratified. Congressional hearings have already been completed, and ratification is expected to take place in the middle of the year. As for the Russian Duma, the situation is more complicated: Although Rybkin, during his recent visit to Washington, assured the Americans that the agreement will be ratified, one should not be unduly deluded by his words. At any rate, Clinton has managed to secure himself with Yeltsin's promise, which can be qualified as a success under the present situation.

Finally, another joint agreement deals with problems of "European architecture." Its text says that the presidents "have made a comprehensive review of the progress in attaining their common goal — the creation of a stable, safe, united, unified, and democratic Europe." The essence of the document, in fact, is reduced to the long chain of adjectives before the word "Europe." As for "architecture," it is said that it is to be based on "a number of mutually contributing institutions and relations, which could serve as a guarantee against the return of a split Europe and confrontation."

As one can see, the bar, set at a reasonably low height, has been successfully cleared by the presidents.

Daily Comments on Clinton's Visit to Ukraine

MM1205154395 Moscow ROSSIYSKAYA GAZETA
in Russian 13 May 95 First Edition p 7

[Report by Vasilii Starov: "Journey from Kremlin to Kiev. In Ukraine Clinton's Role Was More Imposing"]

[FBIS Translated Text] After his three-day intense working visit to Moscow, on which the Republican majority in the Congress was keeping a malicious eye, in Kiev President Clinton could indeed allow himself to relax somewhat. To universal satisfaction, moreover.

The Ukrainian side was filled with a sense of profound satisfaction beforehand because Kiev had finally gotten its first proper official visit by a U.S. leader. And, second, the Americans, it was learned, immediately made a symbolic concession and extended the visit by two days, although it could quite well have fitted

into a single day. But in this way Ukraine was shown additional respect.

As for the specific substance of the talks, the Americans were primarily interested in the completion of the process of the withdrawal of Soviet-era nuclear weapons from Ukrainian territory. Furthermore, the totally unclouded atmosphere of the current dialogue with Kiev may very well be a plus for Bill Clinton, whom his political rivals in America accuse of lacking concrete foreign policy successes.

Naturally, Kiev raised other questions of importance for present-day Ukraine — economic aid and the future of the Chernobyl AES [nuclear electric power station], which has still not been shut down and whose mothballing will require considerable funds. Lastly, the Ukrainian side also asked pointblank to take part in the upcoming G-7 meeting in Halifax in order to present the needs of the Ukrainian reforms to the shareholders in the world's most prestigious club. Especially as if Russia has been invited, Kiev will try willy-nilly to get there too.

However, right now the Americans' allocation of another \$850 million in urgent economic aid can be considered the only real result of Ukrainian lobbying. The other problems that worry Kiev will be discussed in a working context, so to speak, as they arise.

Incidentally, one is bound to note that the atmosphere of Clinton's visit to Ukraine and the sentiments of the masses at large were very reminiscent of U.S. leaders' first visits to sovereign Russia in the early nineties. Now it is the Ukrainians' turn to believe (and the polls confirm this phenomenon) that America will provide them with crucial philanthropic aid in implementing profound economic transformations. Kiev has not yet lost its illusions. That is all still to come.

Otherwise everything went as planned. In his speech President Kuchma attacked the manifestation of "imperial ambitions" and "aggressive separatism." President Clinton diplomatically voiced the hope that Ukraine will become a bastion of democracy and prosperity in the East. To mark the visit Kiev was urgently swept clean, roads were mended, and trees clipped. The U.S. leader became an honorary doctor of Kiev University and addressed the people. It was probably in gratitude for the visit that vodka appeared in the stores with a portrait of Clinton on the label wearing the distinctive hat which people in Kiev have nicknamed the "Kuchma."

Clinton Visit to Ukraine Seen as Successful

MK1305085095 Moscow KOMMERSANT-DAILY in Russian 13 May 95 p 4

[Report by Yekaterina Akopova, Viktor Zamyatin: "Clinton and Kuchma See Eye to Eye on Crimea"]

[FBIS Translated Excerpt] [Passage omitted] According to Dmitriy Tabachnikov, Ukraine presidential chief of staff, "Clinton's visit will affect the formation of a new architecture in Europe and also Ukraine's relations with the 'Seven.'" Leonid Kuchma himself is convinced that his republic has already shown itself as "a predictable and reliable partner, ready for cooperation." Now it is time to take these relations to a new level. To which Clinton observed that "the United States and the West, together with Ukraine, will pass the difficult path of reform."

Generally, not a little was said during the visit about the state of Ukraine's economy and reform. After all, the modest dollar flow did not begin to trickle to Kiev until after the country had renounced nuclear weapons and announced its readiness to close the Chernobyl nuclear power station. International financial organizations have already allocated Ukraine \$4 billion. The United States has played a considerable role in this. In the course of this visit Clinton again promised to help in undertaking reform. The negotiations also discussed ways of supporting the Ukraine private sector (primarily in agriculture, power engineering, telecommunications, and conversion programs). At the end of the negotiations the presidents signed a joint statement. It notes in particular that the United States gives priority to supporting Ukraine during its transition to the market economy and its integration into the world economic community.

Special attention was given to Ukraine-Russian relations. Kuchma and Foreign Minister Gennadiy Udovenko briefed the Americans on the success stories: A treaty and an agreement on debt rescheduling have been initialed. It is difficult to say whether the controversy stirred by these agreements in Moscow was also discussed: The talks between Kuchma and Clinton was *tete-a-tete*, and they ended with U.S. promises to help settle the most delicate problems (for instance, division of the Black Sea Fleet and the debt problem). As for Crimea, Clinton noted that this problem should be addressed by purely political methods, ensuring the preservation of Ukraine's territorial integrity. The U.S. leader, according to Secretary of State Warren Christopher, "highly appraised the fact that Kuchma himself did not ask the United States to be a mediator in the Ukraine-Russia dialogue." With respect to closing the Chernobyl nuclear power station, Clinton stated that "even for the United States, the closure of a nuclear

power station is a luxury." Therefore at the upcoming G-7 summit in Halifax Washington will come out with an initiative for collective financial assistance to Ukraine. [passage omitted]

U.S., Ukraine Seen Pleased by Summit Talks

MK1305081095 Moscow SEGODNYA in Russian 13 May 95 p 4

[Report from Kiev by Konstantin Parishkura under the "Visit" rubric: "Bill Clinton Promises 'Strong Support for Ukrainian Reform.' The United States Intends To Insist on Increasing Assistance to Ukraine by G-7 in Halifax"]

[FBIS Translated Excerpt] [Passage omitted] The results of the U.S.-Ukrainian talks appear to have pleased both sides, although certain observers see the Kiev trip by the U.S. President as a polite response to Leonid Kuchma's visit to the United States last year. "The Ukrainian leadership has challenged us by its resolve to reform the country, and we will respond with strong support for Ukrainian reform," Mr. Clinton said at a reception in Kiev after the talks had ended. The U.S. President highly appreciated the decision to renew the Nuclear Nonproliferation Treaty for an indefinite period of time and particularly singled out the role of Ukraine, "which has been in the forefront of states seeking that."

U.S. Secretary of State Warren Christopher, who spoke before journalists at the American correspondents' press center after the end of the talks, said that Leonid Kuchma did not ask Bill Clinton to be a middleman in the settlement of Ukrainian-Russian problems. He emphasized that a relationship between Ukraine and Russia is essentially similar to that between Canada and the United States. The American President characterized a conflict between Kiev and Sevastopol as Ukraine's exclusively internal affair and supported the latter's desire to maintain its territorial integrity. Warren Christopher said that the United States has called for an increase in assistance to Ukraine to \$4 billion and will insist on that at the upcoming meeting of the G-7 leaders in Halifax. The United States also expressed its intention to give Ukraine \$250 million in loans in 1995. [passage omitted]

U.S. Congress Vote 'Warning Signal' on Iran Deal

MM1505131095 Moscow IZVESTIYA in Russian 13 May 95 p 2

[Report by Aleksandr Sychev from the "From Our Correspondents and News Agencies" column: "Russia Given 'Yellow Card' by U.S. Congressmen"]

[FBIS Translated Text] The House Foreign Affairs Committee has approved by majority vote a bill which

will deny financial aid to countries selling nuclear technology and weapons to Iran.

The bill drawn up by members of the committee in the form of an amendment to the foreign aid budget is regarded by all commentators as a warning signal to Russia. The decision to send the amendment to the House of Representatives for examination was made immediately after the U.S. President's visit to Moscow, during which Clinton failed to persuade President Yeltsin of the need to cancel the contract to build a nuclear power station in Iran.

If approved by both houses of Congress, the amendment will deprive Russia of approximately 25 percent of U.S. financial aid. The point is that it envisages a number of exceptions: In particular, the ban will not affect money allocated for destroying the nuclear missiles being cut by Russia or the funds provided to help refugees and clear up the aftereffects of various catastrophes.

Mityukov Tells Iran No Change in Nuclear Accord

*LD1205164595 Tehran IRNA in English
1604 GMT 12 May 95*

[FBIS Transcribed Text] Moscow, May 12, IRNA — The first deputy speaker of Russia's State Duma (parliament), Mikhail Mityukov, stressed in a meeting with the Iranian ambassador here Mehdi Safari last night, that no changes would be made in the text of the Iran-Russia nuclear cooperation agreement.

The Russian official, referring to Wednesday's summit between the U.S. and Russian presidents, Bill Clinton and Boris Yeltsin, said the latter is not in two minds regarding the Tehran-Moscow agreement on peaceful use of nuclear energy. He added that part of the contract which allegedly involves military components, would be reviewed by the joint U.S.-Russia commission.

The Duma official specified that the provisions of the contract would not be subjected to debate at all in the said commission to be headed by Russian Prime Minister Victor Chernomyrdin and U.S. Vice President Al Gore. He added that the various factions that make up the Russian parliament have never been at odds regarding the execution of this deal and have continued to show support for it.

Concerning the upcoming trip of Iranian deputy Majlis speaker, Dr. Hasan Ruhani to Moscow, he stated that with consideration being given to the importance of the trip, "we are planning and preparing ourselves to hold it at its best level".

Official Denies Plan To Deliver Centrifuges

*MK1305061095 Moscow SEGODNYA in Russian
12 May 95 p 1*

[Unattributed report: "The Russian Federation Did Not Plan the Delivery of Uranium-Enrichment Centrifuges"]

[FBIS Translated Text] The Russian Federation Nuclear Power Ministry denies that the Russian-Iranian contract on building a nuclear power station in Bushehr or any of the joint agreements on cooperation in the nuclear field included an article on supplying Iran with a uranium-enrichment centrifuge. "Russia was never going to sell centrifuges to Iran," Georgiy Kurov, chief of the Russian Federation Nuclear Power Ministry Public Relations Department, said. According to him, the contract for the construction of a nuclear power station in Bushehr envisions only the installation, fine-tuning, and delivery of the requisite equipment. Furthermore, Kurov, said, the Iranian side has asked Russia to complete the building of a second nuclear power station unit and also to build two VVER-440 units.

Ministry 'Source' Critical of Clinton CFE Stance

*LD1205183095 Moscow INTERFAX in English
1628 GMT 12 May 95*

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — U.S. President Bill Clinton indicated in Moscow that the United States "shares the tough view of the North Atlantic Alliance" and has no intention of meeting the Russian request for reconsidering flank restrictions in the context of the Treaty on Conventional Forces in Europe [CFE], a high-ranking officer on the staff of Russia's Foreign Ministry said Friday in an interview with Interfax.

At the end of the Moscow summit Russian President Boris Yeltsin told journalists that his U.S. counterpart supported his stand on the flank restrictions in the context of the CFE Treaty.

According to the Foreign Ministry source, Clinton admitted that the CFE Treaty was outdated and must be adjusted to new realities. The United States assumes that the signatory nations must meet the Treaty by November 17, 1995 and that the earliest formal discussion of the possibility of rewriting it can take place in May, 1996, at the Vienna conference on the realization of the CFE Treaty, the source said, adding that "this is how the Americans have always felt about the treaty."

But Moscow "makes no bones about its dissatisfaction with the flank restrictions under the CFE Treaty."

"We cannot fit into a framework that fails to meet our domestic needs," the source said. "In bilateral contacts with many countries of the North Atlantic Alliance Russia made no secret of what it really needed in terms of conventional forces and weapons. But our partners showed no understanding," he said.

Nonetheless, "Russia can hardly be expected to withdraw from the CFE Treaty." What Russian Defense Minister Pavel Grachev said on the issue in question must be regarded as the expression of his ministry's rather than the government's views.

"Taken as a whole, the Treaty meets Russian interests because it imposes similar restrictions on NATO. If Russia withdraws from the treaty, the alliance will face no restrictions, either, and this is not in Russia's interests," the Foreign Ministry source told Interfax.

According to the diplomat, Moscow counts on "the unofficial group, which has begun in Vienna its work of reviewing the implementation of the treaty and adapting it to the new realities, to discuss Russian proposals on flank limitations."

He also said Russia "hoped new U.S.-Russian consultations on the issue would be held after President Clinton returned home."

Lukin on SALT II Ratification: Summit Results

LD1205174495 Moscow INTERFAX in English
1628 GMT 12 May 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] Moscow, May 12 (INTERFAX) — Vladimir Lukin, chairman of the State Duma Foreign Affairs Committee, is not sure that this Duma will ratify SALT II.

He told Interfax Friday that the Americans want to ratify the treaty and so encourage Russia to follow suit.

Lukin said that the ratification will depend on numerous circumstances, financial and psychological.

He explained that few supporters of the ratification can be found when Russia's former allies are turned into NATO member states despite Russia's warnings.

In any case, Lukin explained, specific technical and financial issues will have to be clarified.

He said that the ceiling of 3,000 missiles provided for in SALT II calls for a complete restructuring of Russia's nuclear capabilities. This is why the MPs want the government and president to share their views on

the financial issues in the treaty before starting the ratification process, Lukin said.

He believes that at the Moscow summit more issues were put off than resolved. In Lukin's words, the talks were not easy but both sides restrained themselves. Both Presidents Boris Yeltsin and Bill Clinton had little room to maneuver because both of them enter a period of election races, Lukin said.

He argued that the talks were essential but they amounted to a time gaining exercise needed to have certain internal matters settled before proceeding to serious negotiations on complicated issues which cannot be easily resolved to satisfy everybody.

Lukin agreed that Russia and the U.S. had partnership relations in which the share of friendly sentiments shrinks and that of pragmatism increases while pressure and obstinacy are becoming apparent, especially on the part of U.S. statesmen.

In his view, that the Russian and U.S. presidents stood their ground on the Russia-NATO relations and on NATO's eastward expansion.

Lukin supported the Russian position on nuclear cooperation with Iran.

He said that Russia was right in declaring its commitment to all the aspects of the Iranian deal which stay within the framework of international agreements signed by Russia. Lukin said that talks were needed on all other aspects. The pitfalls should be identified and appropriate compromise decisions made, he argued.

Lukin wondered, however, how it was possible that the Russian authorities kept saying that everything was okay with the Iranian deal and then a military aspect of the deal surfaced.

U.S. Concerns at 'Volna' Rocket Launch Rebutted

MM1505130095 Moscow KRASNAYA ZVEZDA
in Russian 13 May 95 p 2

[Article by Gennadiy Obolenskiy: "Futile Worries"]

[FBIS Translated Text] U.S. officials noted the article in KRASNAYA ZVEZDA for 19 April about the launch of German scientific equipment by means of a "Volna" rocket (RSM-50 SLBM [Submarine-Launched Ballistic Missile]). They expressed concern that the provisions of the START treaty might be violated by the launch. They point to the still unresolved dispute between the Russian and American sides about the extent to which carrier rockets developed via the use of ICBM and SLBM elements fall within the restrictions imposed by the START treaty.

In this connection it should be noted that the launch in question has nothing to do with carrier rockets that place artificial earth satellites in orbit. It is a question of the launch of an SLBM with a nose cone containing scientific apparatus on a ballistic trajectory. The treaty contains no restrictions regarding the type of payload. The launch itself is being combined with combat training of the personnel of the submarine on which the RSM-50 SLBM is sited.

The Russian Federation, which is committed to all its international pledges, will take the necessary measures envisaged by the START treaty during this launch: It will give the United States appropriate notification and the telemetry data.

Moscow Welcomes Indefinite Extension of NPT

LD1205180295 Moscow INTERFAX in English
1628 GMT 12 May 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Grigoriy Karasin, director of Russian Foreign Ministry Department of information and press, in an interview with Interfax Friday said Moscow "certainly welcomes the decision" by the international conference in New York to to extend indefinitely the Nuclear Non-proliferation Treaty (NPT).

He stressed that "the decision meets the common interests of international stability, nuclear disarmament and preventing nuclear war."

Karasin pointed out the fact that the decision was reached without voting by consensus. "We are glad the participating countries managed to surpass their doubts and contradictions. We see this both as the success of our own diplomacy and the result of our joint efforts with our partners."

According to the diplomat, "the statement on nonproliferation made the other day by Russian and American presidents after the Moscow summit and the agreements it contains contributed to the successful completion of the New York conference."

"The indefinite extension of the treaty imposes certain obligations. Of course, Russia will continue applying efforts aimed at implementing the whole set of agreements reached at the conference in New York," stressed Karasin.

Army Daily Welcomes Extension of NPT

MM1505091195 Moscow KRASNAYA ZVEZDA
in Russian 13 May 95 p 2

[Article by Aleksandr Golts: "The 'Nuclear Club' Will Never Be Enlarged"]

[FBIS Translated Text] The conference on extending the Nuclear Non-Proliferation Treaty achieved a result which some people were not expecting. Henceforth the treaty, which is one of the bases for maintaining security on the planet, will operate in perpetuity. This result is all the more weighty because the month-long diplomatic marathon abounded in very fierce clashes between the positions of various groups of countries. These conflicts continued literally up until the last day. Thus, a number of provisions of the final resolution did not suit the DPRK delegation. Egypt, supported by a number of Arab states, demanded that the resolution include a direct appeal to Israel to subscribe to the treaty. In the end, however, compromises were found on all contentious issues.

In point of fact, the treaty's extension in perpetuity not only outlaws attempts to create nuclear weapons. It renders pointless secret nuclear preparations by any given country if that country was hoping at some time in the future to legalize its status and join the "nuclear club." The countries which make up "the nuclear five" were able to reply to charges of the existing system's injustice by adopting quite specific pledges to advance toward nuclear disarmament.

It would, of course, be naive to consider that the treaty's extension resolves at one go all the problems of nonproliferation. First, its effectiveness is limited by the fact that states such as India, Pakistan, and Israel are still refusing to subscribe to it. The international community evidently needs to think about the guarantees which could be offered to these "refuseniks" and, maybe, about ways of pressuring them. For the treaty's strength lies in its universality.

Second, we can already perceive the desire of individual states to substitute themselves (in their own interests, of course) for the activity of the International Atomic Energy Agency, which is entrusted with monitoring compliance with the treaty. It is highly significant that on the very day that the resolution on the extension in perpetuity of the Nuclear Non-Proliferation Treaty was being adopted in New York, the House Foreign Affairs Committee in Washington adopted another one which displayed a particularly selective approach. U.S. legislators are threatening to reduce aid to Russia if Moscow sells Iran nuclear technologies "which can play a decisive role in Tehran's development of its

own nuclear weapons." At the same time the United States failed to prove that Iran is violating the Nuclear Non-Proliferation Treaty. Such unilateral actions also undermine the treaty's universality.

Davydov on U.S. Complaints About IPR Violations

*MK1305103095 Moscow SEGODNYA in Russian
13 May 95 p 3*

[Report by Elizar Khaldunov: "Oleg Davydov Worries Over Intellectual Property Rights Protection. United States Says It Is Dissatisfied With Audio, Movie and Video Piracy"]

[FBIS Translated Text] Oleg Davydov, vice premier and minister of foreign economic relations, briefed journalists yesterday on serious complaints about Russia by the U.S. Government evoked by widespread piracy involving the production and copying of audio, movie, and video products, books, and computer programs.

In the vice premier's words, over the past three months the Americans have been "constantly raising the question of violation by us of intellectual property rights [IPR]" and have been wondering how this state of affairs dovetails with the already passed Russian Federation laws (on copyright and related rights, patent rights and so on) and Russia's being party to corresponding international accords (the Paris convention on the protection of industrial property, the Bern convention on the protection of works of literature and art, and the Geneva convention on the protection of producers of audio recordings.)

U.S. spokesmen assess the damage done by Russia's pirates of the "culture" market at \$800 million.

In Mr. Davydov's words, we should not allow ourselves to be "blacklisted among countries" that damage U.S. interests because the latter is fraught not only with a worsening of bilateral trade relations but also with possible obstacles to joining international economic organizations.

In a conference that also took place yesterday at the Ministry on Foreign Economic Relations, the vice premier ordered that information on instances of intellectual [property] piracy be gathered via the ministry's envoys in the regions and handed over to the law and order bodies. One ministry collegium member pointed out that instances of piracy exist not only in Russia but also in the United States where, in his words, Russian computer programs are being used illegally.

U.S. Correspondents' Actions Elicit 'Demarche'

*LD1205173795 Moscow ITAR-TASS in English
1643 GMT 12 May 95*

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — The Russian Foreign Ministry is planning a political demarche in response to the actions of U.S. correspondents who used fake accreditation documents (pulls) to attend the opening ceremony on Moscow's Poklonnaya hill, head of the Russian Foreign Ministry's information and press department Grigory Karasin told Itar-Tass here today.

"In fact it was a very serious incident," said the diplomat. In his opinion, the correspondents did at least three violations. "First of all, they violated professional ethics. The correspondents neglected safety requirements in effect when over 50 state heads are visiting a capital. Finally, we estimated their actions as disrespect to the host state, in this case Russia," said Karasin.

The incident is still being studied and Moscow "is giving a thorough consideration to all the circumstances." Karasin did not exclude corresponding demarches can be made next week.

As it was reported, fake accreditation documents (Pulls) were confiscated from foreign correspondents on May 9 by staffers of the Main Guards Department. The fake pulls were made with the use of a color copying machine.

Grachev Arrives in PRC on Official Visit

*LD1505054395 Moscow ITAR-TASS in English
0513 GMT 15 May 95*

[By Grigoriy Arslanov and Vyacheslav Tomilin]

[FBIS Transcribed Text] BEIJING May 15 (Itar-Tass) — Russian Defence Minister Pavel Grachev, accompanied by a large group of generals, arrived here on Monday for a five-day official visit at the invitation of his Chinese counterpart Chi Haotian.

In a brief interview Grachev told Itar-Tass that the principal aim of the visit is to develop and deepen contacts between the armies of the two countries. The two sides are to map out a series of joint activities within the framework of military cooperation for this and next year.

On the Russian delegation are the Commanders of the Pacific Fleet and of the Far East Military District, the Commander-in-Chief of the Air Force, and Deputy Commander of Airborne Forces.

Grachev is to be received by Jiang Zemin, the President of China and Chairman of the Central Military Council.

During his stay in Beijing and cities of Nanjing, Shanghai and Guangzhou, he will hold talks with his Chinese counterpart, meet with Liu Huaqing, First Deputy Chairman of the Central Military Council, and other Chinese military leaders.

During the talks the two sides are expected to discuss not only practical matters concerning the expansion of inter-army contacts but also aspects of mutual reduction in the armed forces and confidence-building measures in the border area.

An intergovernmental agreement of unlimited duration on confidence-building measures may be signed during a Sino-Russian Summit Meeting, which is planned to be held in Beijing in the second half of the year, diplomatic sources have told Itar-Tass.

Recent Military Contacts With PRC Described

*LD1505070795 Moscow ITAR-TASS in English
0655 GMT 15 May 95*

[FBIS Transcribed Text] MOSCOW, May 15 (Itar-Tass) — Russia and China have been maintaining intense military relations in the nineties. Today, Russia's defence minister Pavel Grachev is in Beijing for talks on further plans for cooperation in the military sphere. An overview of contacts in the military field between the two countries follows.

February 1992 — Some 200 military fliers from China begin training in the Krasnodar Aviation School learning to pilot the Su-27 fighter-planes.

February 27-March 2, 1992 — First deputy commander-in-chief of the CIS allied forces Colonel-General Samsonov visits China for talks on the delivery of 24 Su-27 interceptor-fighters to China in 1992 and 1993.

August 24-31 — Chinese Defence Minister Qian Qichen visits Russia to discuss cooperation in the military and military-technical fields with Defence Minister Pavel Grachev.

October 8-12, 1992 — Russia's first deputy defence minister Andrey Kokoshin leads a Russian military delegation to China.

April 5-15, 1993 — Vice-Admiral Jiang Liangchun, commander of the Chinese navy, visits Russia.

Late June-early July, 1993 — Colonel-General Liu Huasing visits Russia for talks with prime minister Chernomyrdin on expanding cooperation in the field of conversion of the defence industry to civilian production.

August 9-17, 1993 — Chinese chief of staff Colonel-General Jiang Wangnin visits Russia.

August 23-27, 1993 — A group of ships of the Russian Pacific Fleet pays a visit to the East Chinese port of Qingdao, the first such visit in 30 years.

November 8-11, 1993 — Russian Defence Minister Pavel Grachev visits China to sign an agreement on cooperation between the defence ministries of the Chinese People's Republic and the Russian Federation for five years.

April 11-14, 1994 — Chief of Staff of the Russian Federation Colonel-General Mikhail Kolesnikov visits China.

May 17-20, 1994 — A group of Chinese warships visits Vladivostok.

June 2-11, 1994 — Colonel-General Xiao Shuanmin, commander of the Chinese air force visits Russia.

July 11-16, 1994 — Chinese Defence Minister Chi Haotiang visits Russia to sign a Russian-Chinese intergovernmental agreement on prevention of dangerous military activity.

September 2-6, 1994 — China's chairman Jiang Zemin visits Russia to sign with Boris Yeltsin a joint Russian-Chinese declaration which says that the truly equal relations between the two countries based on principles of peaceful coexistence "are not an alliance and are not directed against third countries". The document also points out the two countries' intention "to continue and expand exchanges and cooperation" in the military-political field. The Russian President and the Chinese Chairman sign a joint statement on non-targeting of strategic nuclear missiles and non-use of the first nuclear strike.

November 1-5, 1994 — Commander of the Russian navy, Admiral Feliks Gromov pays an official visit to the Chinese People's Republic.

February 10, 1994 — The Russian and the Chinese border services sign an agreement on interaction in repressing violations of the border between the two countries.

February 14, 1995 — The Ministry of Foreign Affairs of the Russian Federation confirms the sale of Russian submarines to China, stressing that the sale was "limited in character".

Commentary Views ROK Premier's Visit to PRC

*SK1405114895 Moscow Voice of Russia World
Service in Korean 1225 GMT 13 May 95*

[From the "Today's World" program]

[FBIS Translated Text] Foreign observers note that ROK Prime Minister Yi Hong-ku's visit to China

indicates Seoul's great interest in maximizing Beijing's role in and contribution to resolving long-pending issues on the Korean peninsula. Regarding this, station commentator (Yuriy Muratov) writes:

The development of China-ROK economic cooperation is supplemented by the growing mutual political trust and the two sides' joint efforts for political coordination and study on regional issues. Taking the friendly relations between China and North Korea into consideration, Seoul is trying to use the Chinese authority and its diplomatic potential in resuming the difficult dialogue with Pyongyang.

In particular, Seoul is trying to narrow differences in opinion on the nuclear issue between the DPRK and the ROK. DPRK-U.S. talks on this issue are in process with many difficulties. As Seoul recognizes, China can influence positively more than any other country upon the DPRK position on normalizing situation on the peninsula.

According to reports from Beijing, just a few hours after returning from a ceremony marking the 50th anniversary of Moscow's victory in the World War II, Chinese President Jiang Zemin received ROK Prime Minister Yi Hong-ku. As has been reported, the Chinese president will visit the ROK for the first time in history. This fact shows China's willingness to cooperate for a constructive resolutions those issues carried forward from the past.

China insists on holding restrained dialogue between Seoul and Pyongyang, which concerns all other relevant countries. In talks with the ROK prime minister, Jiang Zemin stressed the nuclear issue on the Korean peninsula must be resolved through dialogue. The Chinese president also pointed out the need to develop and defend friendly and cooperative relations between China and the ROK. He stated that this will be good for peace and development of the peninsula and the entire Far East area.

In their talks in Beijing, Chinese Premier Li Peng and ROK Prime Minister Yi Hong-ku discussed intensively the future development of mutual relations between China and the ROK. They expressed satisfaction with the development of trade and economic cooperation between the two countries and stressed the possibility of greater development in the future.

The total amount of trade between the ROK and China will reach a record-breaking level this year, at least \$1.5 million, far exceeding that of last year. For your reference, the yearly trade between China and North Korea is 15 times less than that between China and South Korea, and the former is ever-decreasing.

What I would like to emphasize, in conclusion, is that Beijing and Seoul have increased mutual trust in the military and political fields. As Chinese Premier Li Peng stated at talks with the ROK prime minister, China is willing to send high-level military officials to Seoul. Since they established diplomatic relations in 1992, putting an end to the 40 year-long hostility and mutual distrust, China and the ROK have turned their relations into friendly ones in just three years.

Cooperative relations between China and the ROK have become an important and positive factor for the development of the situation on the Korean peninsula and in the entire Far East area.

Kokoshin Receives Mongolian Defense Minister

MM1505104795 Moscow KRSNAYA ZVEZDA
in Russian 13 May 95 p 1

[“Own Information” report: “Questions of Russian-Mongolian Military Cooperation Discussed”]

[FBIS Translated Text] Andrey Kokoshin, Russian first deputy defense minister, has met with Mongolian Defense Minister S. Jadambaa.

Questions of deepening Russian-Mongolian military cooperation in the new conditions were discussed. The sides noted that the cooperation between the two countries has deep historical roots. It is cemented by blood. The Mongolian defense minister expressed profound satisfaction at his participation in the celebrations of the 50th anniversary of victory in the Great Patriotic War, and also at the fact that the Mongolian president and defense minister were able to visit the guards training tank regiment that retains the name of Suhe Bator.

Commenting on the meeting, Andrey Kokoshin noted that Russian-Mongolian relations are of extremely great importance for ensuring security in Asia. And they must be developed in every possible way. Including in the military sphere.

Shumeyko Arrives in Britain on Official Visit

LD1405144795 Moscow ITAR-TASS in English
1442 GMT 14 May 95

[By Igor Polskiy]

[FBIS Transcribed Text] LONDON, May 14 (Itar-Tass) — A delegation of the Russian Federation Council arrived in Britain on an official visit on Sunday.

During the five-day visit, the delegation led by Council Chairman Vladimir Shumeyko, will take a trip to Southampton in southern England on Monday to discuss prospects for economic cooperation between it and

Russia and its special ties with the Kaliningrad region, Russia's westernmost enclave.

In London, Shumeyko will have talks with the speaker of the House of Lords, Prime Minister John Major, Foreign Secretary Douglas Hurd and President of the European Bank for Reconstruction and Development Jacques de Larosiere.

He will also meet members of the parliamentary committees and the British-Russian parliamentary group and representatives of the British business community.

The talks will focus on the current level of relations between the two countries, their interests and the spheres where they overlap, as well as partnership between Russia and NATO, Shumeyko told journalists upon his arrival in London.

"There is no such a place in the world where the interests of Russia and Britain would not meet," he said.

"A lot has been done lately to develop good relations between our countries. Of course, this does not mean that we do not disagree on some issues. But the efforts being taken today are a great contribution to mutual understanding. Our delegation's visit continues this line," Shumeyko said.

Deputy Foreign Minister on Austrian State Treaty

AU1405133395 Vienna KURIER in German
13 May 95 p 5

[Interview with Deputy Foreign Minister Sergey Krylov by Hans Rauscher in Moscow; date not given: "For Us, the State Treaty Is in Force"]

[FBIS Translated Text] Basically, everything is going rather well between Russia and Austria. President Klestil was in Moscow this week to attend the World War II victory celebrations. Economic relations are going rather well again. Nevertheless, there is an unsolved, seemingly formal issue. Russia wants a joint Austrian-Russian statement that also refers to the State Treaty in some way. This, however, was strictly rejected by Austria following a summit between Klestil, [Chancellor] Vranitzky, and [former Foreign Minister] Mock. This also prevented Yeltsin's official visit on the occasion of the republic's 50th anniversary celebrations in April. The negotiations on this matter were conducted by Russian Deputy Foreign Minister Sergey Krylov. KURIER asked Krylov in Moscow why Russia insists so much on the State Treaty and what the position of the new Russia is regarding Austria.

[Rauscher] Mr. Deputy Foreign Minister, Russia is of the view that there is still one open matter between Austria and Russia, namely a joint declaration of

principle on the relations between the two states. The fact that such a statement was not achieved in the end also prevented Yeltsin's visit to Austria.

[Krylov] It is not just one matter that is open. Since Austria joined the EU, we have also had several economic problems to settle. We must not wait for a year or two to do this. Regarding the joint statement: We negotiated for a long time on a joint legal document of principles. One can live without something like that, too, but our Austrian colleagues are also of the opinion that we had better sign something like this. Russia worked out the text for a joint treaty. Vienna then suggested to turn this into just a declaration. A treaty is certainly more solid, but if Austria does not want that, we will also talk about a statement.

[Rauscher] The controversial issue is whether the State Treaty should be mentioned in such a statement.

[Krylov] This is correct, this has not been clarified at all. We are proceeding from the premise that it should be mentioned — for three reasons: Up to now, the State Treaty is the only document between our two countries. For us, it is the basis of a new democratic Austria. In addition, it plays an essential role in establishing good and stable relations in Europe. None of these three issues has disappeared, they are still valid. Of course, a document from 1955 no longer quite corresponds to today's facts. However, even though part of it is obsolete, other parts are still in force. For us, the State Treaty is still in force in historical and emotional terms. Why should we abolish it?

[Rauscher] In our country, we get the impression that with its insistence on the State Treaty, Russia, as the heir of the Soviet Union, wants to ensure some influence as Austria's "protective power" for itself.

[Krylov] One can talk about this issue for a long time. The USSR ceased to exist three years ago; Russia is obviously following completely different paths. The USSR did much for Austria and played an important role for Austria — one should not forget this. We agree that Russia and Austria should cultivate good relations. However, present and future relations are based on a historical foundation.

Slovak Delegation Stresses Promoting Ties

LD1405203695 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1630 GMT 14 May 95

[FBIS Translated Text] A Slovak government delegation led by Deputy Prime Minister Sergej Kozlik left Bratislava today for a five-day working visit to the Central Asian countries. The delegation made a stopover at Moscow, where Sergej Kozlik, deputy prime minister

and chairman of the Slovak-Russian Intergovernmental Economic Commission, held talks with his counterpart, Yuriy Yarov. Our Moscow correspondent Maria Mikusova asked the two politicians for a brief interview.

[Begin recording] [Mikusova] One could note that relations, especially in the economic sphere, have recently become much more intensive. Mr. Kozlik, could you assess the impact of these frequent meetings?

[Kozlik] Yes, I think so. First of all, I would like to point out that for us it is especially important to intensify relations with the Russian Federation as well as with the other countries of the former Soviet Union. The impact is gradually becoming visible. We are making progress in dealing with some issues of the debt by means of supplies of special technology.

I think that we should greatly appreciate the Russian Federation's stance on the completion of the Mochovce nuclear power plant. Those \$150 million are a certain starting point for the current solution to the problem — a solution envisaging that the completion of this project, which in my view is very important for Slovakia, will be joined by several European bodies. In my view, at the Mochovce nuclear power plant, Europe could unite.

Other issues are linked to the fairly big supplies of raw materials from the Russian Federation. This is a challenge and an appeal to all government officials involved in the economy to come up with proposals on what goods could be supplied by us in return for these raw materials. Hence, there are issues to be dealt with for a long time ahead and we have to look for the methods of achieving the ideal solution.

[Yarov in Russian, fading into Slovak translation by Mikusova] The impact of our relations need not be assessed in rubles, dollars, or other currencies. There are much more important elements. Today, we managed to sufficiently clearly define prospects for our future relations, not only in the economic but in other spheres as well. We made progress. We agreed today that a meeting of the intergovernmental commission will take place in October again. A more specific date will be known after the reciprocal visit by your prime minister to Moscow and Russia. We expect totally new approaches to our cooperation. [end recording]

Turkey Seen Aiming To Secure Iraqi Territory

MM1505134795 Moscow RABOCHAYA TRIBUNA
in Russian 13 May 95 pp 1, 2

[Article by Vladimir Shchedrin: "While Pursuing Kurds Turkey Is Working Up an Appetite for Iraqi Land"]

[FBIS Translated Text] The Turkish Army's incursion into northern Iraq, justified as the "pursuit of gunmen from the Kurdish Workers Party, which has been carrying out attacks on Turkish territory from that region," has created considerable tension in relations between these two states and seriously affected stability and security in the region. The Iraqi Government's repeated appeals to the Turkish authorities have not met with success.

It cannot be said, however, that the situation has remained unchanged. It has changed. For the worse, according to Iraqi representatives. The aggravation of the situation is connected with the recent statement by Turkish President Suleyman Demirel on the revision of the borders between Iraq and Turkey on the pretext of combating terrorism. It goes without saying that Turkey has its sights set on Iraqi territory.

Turkey will clearly benefit if the borders with Iraq are revised in its favor. Politically this will nullify all accusations and criticisms by the world community about the violation of a neighboring state's sovereignty. If any such criticisms remain they can be treated as interference in Turkey's internal affairs.

In the military sphere, once it has gained a "new" province, Turkey could begin new, large-scale combat actions against the Kurds without having to keep one eye on its neighbors. Perhaps the Turkish Government sees this as one way out of the present situation.

There is just one "minor snag" here — obtaining Iraq's consent to the revision of its own borders. Iraq has no intention of giving that consent — indeed, what state would agree to voluntarily relinquish its own lands?! — and rightly points to the inviolability of the state border and the integrity of its territory. As a representative of Iraq's Revolution Command Council has stated, Iraq is refusing to discuss this problem with the Turkish authorities and warns Turkey against taking unilateral actions which could lead to a serious border conflict. "Iraq will oppose such actions by all legitimate means at its disposal and nothing will stop us from doing that," he said.

Kozyrev Statement Marks Karabakh Cease-Fire

LD1205203395 Moscow ITAR-TASS in English
1940 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — "Today, on the first anniversary of truce in the Karabakh conflict, I would like to express satisfaction with fulfilment of the agreement for such a long time thanks to the responsible attitude of leaders of all the conflicting sides," says a statement of Russian Foreign Minister Andrey Kozyrev received by Itar-Tass today.

"A considerable role in cease-fire and its observation was played by the international community, including the Russian Federation, the Commonwealth, OSCE and the United Nations organization," says the document.

"We welcome the fact that the Republic of Armenia freed and repatriated to Baku all POW and detained civilians in response to the appeal of Russian President and Chairman of the Commonwealth Council of State Heads Boris Yeltsin and other appeals. An important step was made in response by the Azeri Republic. We expect similar steps to be done by Karabakh leaders," noted the Russian minister.

"Negotiations on an agreement on termination of the armed conflict will soon resume in Moscow. It is most important to consolidate the truce and gradually politically settle all complicated problems caused by the conflict," says the statement.

"We count on a realistic constructive impulse to the negotiations to be made by heads of the conflicting sides. Readiness of other states and international organizations to help the soonest Karabakh settlement will depend on this," notes the document.

Protocol Signed With Belarus on Railroad Customs

LD1305130095 Moscow ITAR-TASS in English
1229 GMT 13 May 95

[FBIS Transcribed Text] MOSCOW May 13 (Itar-Tass) — The Russian and Belarusian presidents plan to speed

up the establishment of a customs union between the two states. The Russian president's press service reported on Saturday that this position was confirmed by Boris Yeltsin and Alyaksandr Lukashenka who exchanged messages on how to implement understandings to create a customs union.

In the meantime, representatives from the two countries signed a protocol in Minsk on Friday [12 May] to repeal customs control on railways and air transport between Russia and Belarus. The sides regard this as the first step towards full abolition of border control.

A representative of the Russian side said that "there are all prerequisites to abolish customs borders between the two countries by May 30".

To conclude a customs union, it is necessary only to standardise excise rates on imported goods, to adopt normative acts on the procedure of control and delivery of goods, to draft a single mechanism on pricing fuels and some other issues.

Under an agreement between the two states, the second stage of the customs union provides for removing tariff and quantity limitations in mutual trade in compliance with the previous "understanding on regime of free trade without exemptions and limitations".

There is also full conformity of the two countries' trade regimes with respect to third states. The sides also determined the general and joint procedure of conducting customs statistics of foreign trade.

Lukashenka also told journalists that the second stage also provides for concluding a payments and then currency union.

A referendum in Belarus scheduled for May 14 will play an important role in rapprochement between the two countries. One of its questions is as follows: "Do you support the Belarusian president's actions aimed at economic integration with the Russian Federation?"

Political Issues

Further on Creation of Chernomyrdin Electoral Bloc

Chernomyrdin Invites Parties To Join Movement

LD1205125495 Moscow ITAR-TASS in English
1113 GMT 12 May 95

[By Lyudmila Alexandrova and Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — The movement "Russia is our Home" invites to its ranks all parties and public associations that share the movement's aims, Viktor Chernomyrdin, Russian Prime Minister, leader of the movement, said on Friday during a break in the meeting of the constituent congress.

Chernomyrdin said the draft regulations envisage both collective and individual membership. The movement is open to any parties and political associations sharing its ideology. At the same time, in accordance with draft regulations of the council of the all-Russian movement, a two-thirds majority can decide to expel a collective member from the movement if aims and tasks of the all-Russian movement are ignored. The draft regulations of the movement will most probably be passed this afternoon. Asked by journalists what he intends to do in case of the victory in the forthcoming parliamentary elections, Chernomyrdin said tersely: "We intend to work".

Invites Cabinet To Participate in Congress

MM1205130895 Moscow ROSSIYSKAYA GAZETA
in Russian 12 May 95 First Edition p 1

[Unattributed report: "Constituent Congress"]

[FBIS Translated Text] Viktor Chernomyrdin, head of the "Russia Is Our Home" election movement, stated at yesterday's government session that 308 delegates and around 200 guests will take part in the movement's constituent congress.

Viktor Chernomyrdin stressed that he is inviting the whole cabinet to take part in the work of the election movement's constituent congress. The broadest political circles will be represented at the congress, the Russian premier stated. State Duma and Federation Council deputies have also been invited.

First Vice Premier Oleg Soskovets is the movement's deputy chairman and the organizing committee includes Anatoliy Chubays, first vice premier; Sergey Shakhrai, vice premier; Vladimir Babichev, leader of the government apparatus with the rank of minister; Gennadiy Melikyan, the labor minister; Vladimir Bulgak, the communications minister; Gennadiy Fadeyev, the transport

minister; and Sergey Shoygu, leader of the Ministry of Emergency Situations.

The Russian Government yesterday approved the reports of the Pension Fund, the Social Insurance Fund, the Federal Fund for Compulsory Medical Insurance, and the Federal Employment Service on the implementation of their budgets for 1994.

Movement Elects Board Members

LD1205125095 Moscow ITAR-TASS in English
1129 GMT 12 May 95

[By Lyudmila Aleksandrova and Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — Delegates to the founding congress of the emerging political movement "Russia is Our Home" today elected a 125-member board.

Prime Minister Viktor Chernomyrdin has been elected board chairman.

Members of the board include Deputy Prime Ministers Oleg Soskovets and Sergey Shakhrai, Railway Minister Gennadiy Fadeyev, Minister for Emergency Situations Sergey Shoygu, Labour Minister Gennadiy Melikyan, Communications Minister Vladimir Bulgak.

The congress placed on the board President Akhsarbek Galazov of North Ossetia, President Valeriy Kokov of Kabardino-Balkaria, President Murtaza Rakhimov of Bashkiria and head of Karachayevo-Cherkessia Vladimir Kubiyeu.

Also elected to the board were Tatarstan's Prime Minister Farid Mukhametshin, Moscow city government deputy prime minister Vladimir Resin and 30 administration heads.

The board of the newly born electoral alliance includes board director of the Gazprom joint-stock company Rem Vyakhirev, director of St. Petersburg's Hermitage Museum Mikhail Piotrovskiy, and many figures of science, culture and art.

Chernomyrdin Comments on Movement

LD1205134595 Moscow ITAR-TASS in English
1324 GMT 12 May 95

[By Lyudmila Aleksandrova and Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — The "Russia - is our home" movement will nominate its candidates from parties and one-mandate constituencies, hoping to win the majority of votes in all constituencies, said leader of the movement, Russian Prime Minister Viktor Chernomyrdin. In an interview

with Itar-Tass he commented on the tactics of this bloc in the election campaign. Addressing a final news conference held in the Cinema Centre in Moscow upon completion of the founding congress of the movement, Chernomyrdin said that on the eve of the congress he had a long conversation with President Boris Yeltsin about the forthcoming election campaign, during which the president wished success to the bloc.

However, journalists attending the founding conference of the bloc noted that the president had not sent any message of greetings to its participants. Commenting on cooperation with another election bloc led by chairman of the State Duma Ivan Rybkin, Chernomyrdin said that the two blocks would "act parallel and cooperate with each other, without standing in each other's way. "We are not antagonists to Rybkin's bloc", Chernomyrdin said.

"The founding congress was attended mostly by managers of industrial enterprises, ministers, heads of administrations, but this does not mean that rank-and-file voters are not represented in our bloc," Chernomyrdin said. "Leaders represent their work collectives and residents of their regions. All of us have one common job to do - to strengthen the economy of this country, but no job has been done yet without chiefs," Chernomyrdin said.

Movement To Campaign for Duma Seats

*LD1205135595 Moscow INTERFAX in English
1327 GMT 12 May 95*

[FBIS Transcribed Text] MOSCOW, May 12. (Interfax) — Prime Minister Viktor Chernomyrdin has said that the "Our Home - Russia" movement which he has just formed wishes to cooperate with State Duma speaker Ivan Rybkin, who is forming his own election alliance. "We are not antagonists and we plan to work together", Chernomyrdin said. He was speaking at a news conference following the constituent congress of "Our Home - Russia" in Moscow Friday.

Asked whether "Our Home - Russia" planned to have its own faction in the State Duma, Chernomyrdin emphatically retorted: "No, the factions that we have are nauseating."

About the sources of financing "Our Home — Russia" Chernomyrdin said he would publish all the financial documents of the new movement. He said that as soon as it was registered, the movement would open its own bank account in order to collect donations. "There are quite a few people eager to finance "Our Home - Russia," " Chernomyrdin said. In particular he noted the fact that the movement's financing would be open

to public scrutiny and that he would permit no financial violations.

Chernomyrdin said that his movement will actively campaign for seats in the State Duma on party tickets and in single-mandate constituencies. He is certain that his movement will be in the majority in either case.

He said that on the eve of the congress he met with President Yeltsin, who extended his greetings and wished the movement success.

Chernomyrdin said that after the constituent congress he held the first session of the movement's council, where the executive committee was formed. It is led by Leonard Vid. Sources in the government have said that Vid leads one of Moscow's analytical centers fulfilling orders from government agencies. Earlier Vid was first deputy chairman of the USSR State Planning Committee (Gosplan).

Further on Movement

*LD1205135095 Moscow INTERFAX in English
1327 GMT 12 May 95*

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — The constituent congress of the all-Russia political movement, "Our Home — Russia," elected Prime Minister Viktor Chernomyrdin chairman of the Council of this right-wing-centrist election bloc.

First Deputy Prime Minister Oleg Soskovets and head of the Samara regional administration Konstantin Titov were elected the Council's vice-chairmen.

The movement's charter, adopted by the congress, says that the Council will be the movement's leading body in the period between the congresses. It is to have 127 members, among them President of North Ossetia Akhsarbek Galazov, the heads of a number of regional administrations, Deputy Prime Minister Sergey Shakhrai, Minister for Railways Gennadiy Fadeyev, the managers of major industrial enterprises, such as the KamAZ, AvtoVAZ and the Magnitogorsk metallurgical enterprise; head of Russia's joint-stock company Gazprom, popular singer Lyudmila Zykina, actors Vyacheslav Tikhonov and Aleksandr Kalyagin, and the leaders of the State Duma factions Stability, Russia and New Regional Policy.

In accordance with the charter, during the next session the Council will elect an executive committee which will run the work of the movement.

The movement is to hold a congress at the end of June or the beginning of July to approve a program and shape a list of candidates who will run for parliament.

The congress adopted a political statement which says that the goal of the movement is the construction of a strong and effective state in which the term "democracy" implies law, order and the authorities' accountability to society through free elections, not anarchy or arbitrariness.

The movement is urging electors "to give sober-minded and constructive social and political forces a real chance, and not to give the slightest chance to irresponsibility, demagoguery and extremism."

Among the movement's central tasks is the creation of "a more efficient parliament working on laws which will help lead the country out of the crisis and offer a better life to the people."

In the economic sphere, the movement will work to ensure financial stabilization and economic development in 1995. The year 1996 is to mark the beginning of economic revival on the basis of industrial development in the key economic branches, the movement predicts.

Stability Is Overriding Goal

LD1205164895 Moscow INTERFAX in English
1431 GMT 12 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Prime Minister Viktor Chernomyrdin, leader of the All-Russian Our Home Is Russia [OHIR] movement, told the OHIR founding congress that stability of the state and society and rebuilding the dignity of Russia and Russians are the overriding goals of the movement.

He emphasized that the movement made dignity, honor and duty its cornerstones and so its supporters are patriots, even though various kinds of extremists try to hijack that name.

He wants the state to play an active part in the country's economy and social life.

Chernomyrdin emphasized that OHIR attracted those who do not want new upheavals or disturbances and is tired of lies they are told. In his view, the country is making a transition from the romantic view of democracy to a pragmatic democracy with its variety of opinions and problems. Chernomyrdin argued that the worst is over in the economy and the country is pulling out of the crisis.

He said that OHIR will seek support of a common man who is tired of troubles, does not particularly trust the authorities and fears crime.

Fighting crime is a priority goal of the movement, Chernomyrdin said. He believed that the state has a sufficient legal framework and resources to curb crime.

Chernomyrdin called for a well-planned army reform saying that the honor and dignity of the army are inseparable from those of Russia. He said that the servicemen have to receive a decent pay and that the prestige of army skills has to be enhanced.

Chernomyrdin told his audience that the next OHIR congress will adopt an election platform and make a list of candidates. Within the coming two or three months local OHIR structures have to be set up and an election campaign started. He called on his supporters not to be intimidated by criticism and attacks from various political quarters. Chernomyrdin said that the movement will be accused of every mortal sin, from nomenclature revanche to undermining democracy. He emphasized that in the context of today the executive branch cannot afford to stay away from political struggle. Chernomyrdin explained that if the branch does so, the chances of stability in the country will deteriorate.

North Ossetian President Akhsarbek Galazov, a member of the OHIR organizing committee, said that the bloc supporters should not be shy of being "a power party," as the movement is dubbed by its opponents because there is nothing shameful in this. He believed that the people in the movement are capable of pulling the country out of the crisis and ensuring its stable development.

St. Petersburg Mayor Anatoliy Sobchak said that the movement has to keep the country from the abyss of left- and right-wing extremism which pose a tangible threat to Russia. He believed that Quiet Life and Work could be the OHIR watchword.

Sobchak said that neither administration heads nor factory directors could bring about a triumph of the movement unless masses of the population support it. He expressed the hope that the new movement will unite the democratic and reformist forces of the country.

Aleksey Leushkin, leader of the Stability group in parliament, said that if as many as possible movement supporters are in parliament, all branches of state authority will work as one team.

The congress at which 300 delegates represented all parts of Russia and 200 guests were in attendance elected Viktor Chernomyrdin chairman of its council and First Deputy Prime Minister Oleg Soskovets and head of the Samara regional administration Konstantin Titov his deputies.

A political statement passed by the congress says that the movement's overriding goal is construction of a strong and efficient state where democracy is understood as observance of the law by everybody and the authorities are subordinate to society through free elections rather than as permissiveness and arbitrariness.

The movement called on the electorate to give a real chance to soundly thinking and constructive forces in Russian politics and society and none to irresponsibility, demagoguery and extremism.

One of the OHIR primary goals is election of a more efficient Federal Assembly which would be capable of passing legislation that would help the country pull out of the crisis and improve the living standards.

State Duma Economic Policy Committee Chairman Sergey Glazyev, the leader of the Democratic Party [DPR], described the formation of two electoral blocs, one headed by Chernomyrdin and the other by State Duma Chairman Ivan Rybkin, as a coup attempt in a democratic disguise.

He said at a Moscow news conference that bribery and blackmail, the tools used routinely by the government, are also at work in the formation of these blocs.

According to Glazyev, senior officials of the presidential headquarters suggested that his party join Rybkin's bloc in exchange for financing and access to newspapers and television while the party of people in power said it can take care of these problems in the DPR electoral campaign. Glazyev also reported that significant amounts of money had been offered to DPR regional organizations for their staying away from elections or for merging with the new party's regional branches.

He believed that it was the failure of the government's socioeconomic policy that compelled the government to set up the two blocs and that the government is doomed in the forthcoming elections.

Meanwhile, Deputy Prime Minister Sergey Shakhray responded Friday to an Interfax question, who will finance the setting up and the electoral campaign of the OHIR bloc, by saying that large factories and companies will. He added that all the costs of organizing the bloc will be made public.

Shakhray emphasized that all the sponsors are not budget-financed and that the bloc will not use a kopeck from the state budget, directly or indirectly.

Also Friday, the press service of the YaBLoko parliamentary group made public a statement to the effect that its MP Sergey Mitrokhin has documentary evidence that the setting up of the two centrist electoral blocs had been planned in President Boris Yeltsin's headquarters.

A document suggests that both blocs would be managed by a center within the presidential headquarters.

The goal, YaBLoko says, is to have a "reasonable and predictable" majority in the next State Duma and demonstrate the ability of the president's supporters to win the 1996 elections.

Bloc Proclaims Objectives

*LD1205163595 Moscow ITAR-TASS in English
1432 GMT 12 May 95*

[By Lyudmila Aleksandrova and Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW May 12 (Itar-Tass) — The new electoral movement "Our Home is Russia" was announced formed, and Prime Minister Viktor Chernomyrdin was elected its chairman by the foundation congress in Moscow today.

The congress passed a political statement, saying that the movement "intends to make it possible for voters to make their choice in favour of stability and progress, democracy and patriotism, security and order in December 1995".

The new electoral alliance proclaims as its creed "dignity and self-respect of Russia and the Russians, security for every individual, a strong and effective state, the development of an integral federation, free and equal peoples and regions".

The movement adopts as economic priorities financial recovery and economic pickup of Russia.

Chernomyrdin in his closing address expressed confidence that the new electoral bloc would win in the forthcoming parliamentary election.

The prime minister stressed that the movement was ready to cooperate with everyone backing its goals and that it would ignore both rightist and leftist attacks.

Government members, including first Deputy Prime Minister Oleg Soskovets and Deputy Prime Minister Sergey Shakhray, and leaders of Russian republics and more than 30 regional administrators have been elected for the movement's board.

Shakhray-led Party of Russian Unity and Accord (PRES) is the only political party to have joined the movement so far.

Of parliamentary factions, only Stability and part of New Regional Policy have entered the new alliance.

Representatives of big business have not been placed on the board, although some attended the congress as guests.

Aleksandr Shokhin, of PRES, told reporters that business would support all movements and parties with an orientation towards economic stabilisation and a stable and predictable government's course, which spells towards the Chernomyrdin bloc.

The initiators of the new political force estimate their chances in the future election as fairly high.

Tatarstan's President Mintimer Shaymiyev said in an interview with Itar-Tass, though, that much depends on the government's success in economic stabilisation.

"If the austere, consistent course is pursued and the tendency of economic stabilisation consolidates, most of the population will vote for the movement," Shaymiyev said.

Vladimir Lysenko, the leader of the Russian Republican Party who was present at the congress as a guest, forecast a seven to 30 percent vote for the governmental bloc in the elections.

The bloc's showing depends on how successfully the government will perform, Lysenko said.

"In principle, the country needs a semi-authoritarian, nomenklatura party of this kind in the present conditions," he said.

Lysenko said Chernomyrdin had succeeded in the task in which Yegor Gaydar failed two years ago — to have on his side regional leaders, "in fact, former first and second secretaries of regional Communist Party committees".

"The fact that they changed the Communist Party for Viktor Chernomyrdin is a great achievement in itself," Lysenko said.

Zaveryukha Supports Bloc But Remains Loyal to Agrarians

LD1205152295 Moscow INTERFAX in English
1246 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Russian Deputy Prime Minister Aleksandr Zaveryukha expressed his "full support of the electoral bloc "Our Home - Russia"" but told Interfax Friday that he is planning go to the polling station "in the ranks of the Agrarian Party."

Zaveryukha is the Deputy Prime Minister in charge of the agroindustrial complex and a member of the Agrarian Party's central council. In 1993 he was elected to the State Duma on an Agrarian Party ticket.

Zaveryukha says that almost 40% of Russians live in the countryside and "only an independent agrarian movement can protect their interests." He calls for a

union of the electoral association known as Russia's Agrarian Party, the consumers' cooperation union, the timber industry, the waterways, the fisheries, the land reclamation complex and the "broad circles of rural intellectuals," among others.

Zaveryukha is confident that Duma speaker Ivan Rybkin "will also remain loyal to the Agrarians" and "will be able to find worthy allies for the agrarian movement." As well as Zaveryukha, Rybkin was elected to the State Duma on an Agrarian ticket and is a member of the Agrarian Party's ruling board.

Shumeyko Supports Chernomyrdin, Rybkin Blocs

LD1205181495 Moscow ITAR-TASS in English
1439 GMT 12 May 95

[By Lev Rumyantsev]

[FBIS Transcribed Text] ST. PETERSBURG, May 12 (Itar-Tass) — "I fully support the creation of elections blocs headed by Russian Prime Minister Viktor Chernomyrdin and Speaker of the State Duma Ivan Rybkin," Chairman of the Russian Federation Council, the parliament's upper chamber, Vladimir Shumeyko told an exclusive Itar-Tass interview today.

"I stand for tranquility and normal situation — the goal of the new political movements," stressed Shumeyko. Asked about his choice, Shumeyko said "I would have voted for Rybkin's bloc if there were no bloc of Chernomyrdin."

Army Paper on Lessons of Victory Day

MM1105081095 Moscow KRASNAYA ZVEZDA
in Russian 11 May 95 p 4

[Article by Mikhail Pogorelyy: "Victory Holiday and Moment of Unity"]

[FBIS Translated Text] The peoples of the world celebrated the 50th anniversary of the victory over fascism in various ways, not necessarily with gala dinners and people's parties from dusk till dawn. In accordance with national-historical traditions the celebrations in some countries culminated in church memorial services, others held special sessions of parliament, and in some countries state leaders delivered speeches to their subjects. But despite these differences the victory holiday united, albeit just for a few days, millions of people throughout the world.

The statements half-forgotten in the West that "Uncle Joe" had especially arranged Victory Day in Russia a day later than in Europe in order to somehow distance himself from mankind struck a clearly discordant note against the general backdrop. However, history itself has

passed judgment on such apologies for historians by establishing long since the simple "medical fact" that the German capitulation document entered into force late on the night of 8 May when owing to the time difference in Moscow it was the same minute but a day later, namely 9 May. However, it was not the fault-finding old critics of the Soviet Union that set the tone of the anniversary celebrations this time, but the sincere delight at the anniversary of the victory and homage paid to its creators.

The celebrations culminated, peaked in Moscow. It was the capital of our motherland that has at this time been the scene not only of the main largest anniversary celebrations but also, as UN Secretary General Butrus-Ghali pointed out at a reception given by the Russian president in the Kremlin, the scene of great unity among the peoples, who today are aware of all the horrors of war, its unacceptability for current generations. This is the first time that representatives of states which were adversaries in World War II and now form a united front in favor of creating a lasting international security system have met at such an event. It was no coincidence that before the official dinner in the Kremlin the heads of state and government who had come to Moscow observed a minute's silence in the St. George's Hall to honor the memory of all who died during the war. After all Russian, U.S., German, and Chinese soldiers were very dear to and beloved by their parents, wives, and children regardless of the flag for which they died....

That is why today we will do something that we usually try to avoid — we will list all the countries who sent their representatives to the celebrations in the Russian capital. After all today this is not just protocol but rather an expression of their attitude toward historical memory, toward war and peace, toward the Soviet people's exploits, and last toward present-day Russia.

Thus, according to the Russian Federation Foreign Ministry, the following paid official visits to Moscow 7-9 May: the presidents of Austria, Azerbaijan, Albania, Armenia, Belarus, Belgium, Bulgaria, Greece, Israel, Italy, Kazakhstan, Cyprus, Kyrgyzstan, Macedonia, Malta, Moldova, Mongolia, Romania, the United States, Slovakia, Slovenia, Tajikistan, Turkmenistan, Uzbekistan, Ukraine, Finland, France, Croatia, the Czech Republic, and Yugoslavia; the head of state of Georgia; the chairman of the PRC; the chairman of the Presidency of Bosnia-Herzegovina; the prime ministers of Bulgaria, Britain, Ireland, Iceland, Spain, Canada, Luxembourg, the Netherlands, Norway, Portugal, Slovakia, and Turkey; the special representatives of the heads of state and government of Belgium, Denmark, India, Switzerland, and Sweden; and the UN secretary general.

I should probably also mention those who declined the invitation to attend the celebrations for various reasons, namely the leaders of the Vatican, Hungary, Latvia, Lithuania, Liechtenstein, Monaco, Poland, San Marino, and Estonia.

Needless to say, celebrations "at home" are also important and what the Polish president said, for instance, about wanting to be with his people on that day is understandable.... But did the Soviet people, who brought the Poles freedom from fascist slavery, saving them from physical annihilation itself — at the price of most severe losses — not deserve words of remembrance and recognition? According to U.S. President Clinton, he came to the Russian capital 9 May to pay his dues to the hero people, the victorious people although there were people in London, Paris, and Berlin summoning and awaiting him.

Russian President Boris Yeltsin's bilateral conversations with UN Secretary General Butrus-Ghali, FRG Federal Chancellor Helmut Kohl, British and Canadian Prime Ministers John Major and Jean Chretien, and PRC Chairman Jiang Zemin were at the same time an excuse to proclaim a new phase in relations between the states that at one time occupied different sides of the ideological and political barricades, draw a final line beneath the hostility and latent enmity that has remained albeit informally in people's hearts. This does not mean forgetting since, according to Bill Clinton, not only in Russia but throughout the world "we remember the victims and the barbarians who killed them." This means pooling efforts to build a lasting, just peace based on law and order. It means joint, united opposition to the forces of evil, which are trying to exploit the latest achievements of science and technology for criminal, inhuman ends since violence, racism, and terrorism have regrettably not been eradicated even 50 years after the defeat of fascism.

The need for joint efforts by all peoples on earth, which is the only way to conquer obscurantism and one people's hatred of another people with different colored skin or shaped eyes, fear of the future and the horrors that it may bring — is that not the prime testament of the victors, the main lesson to be learned from the great victory, ever-alive and ever-young regardless of age....

Further on Opposition's Victory Day Rally

*MM1105124595 Moscow SOVETSKAYA ROSSIYA
in Russian 11 May 95 p 1*

[Report by Luiza Gladysheva and Galina Sedykh: "National Feeling of Victory. Festive Demonstrations in Honor of the Glorious Anniversary Have Been Held in

the Capital and in Cities and Villages Throughout the Country"]

[FBIS Translated Excerpt] We would like to correct our television colleagues right away — they announced to the whole country on the evening of the holiday that over 20,000 people had marched in the columns of the opposition in the "9 May assemblage." No, gentlemen! This is strange arithmetic. When you went out to rallies and demonstrations and filled the streets like the columns of the opposition did on Victory Day, you said that 500,000 people had come out. But now you are saying "over 20,000." Truly it was said: There are lies, damned lies, and statistics. Particularly "democratic" statistics. [passage omitted]

In the column of veterans and Armed Forces officers, I met Viktor Alksnis:

"Unfortunately, today there are two holidays. One for those who believe that they won the victory, and a definitive victory: This is the holiday of General Vlasov, General Volkogonov, and Marshal Shaposhnikov. They are trying to attach themselves to this great victory. At the same time, there is another holiday — our holiday, the people's holiday. And no matter what happens, no matter what they try to do, nevertheless our cause is just. Victory will be ours!" [passage omitted]

Stanislav Terekhov, leader of the Union of Officers:

"Today we are experiencing exactly that feeling of victory which we have long wanted to experience, and which was the basis of our confidence that we would march in our city, in our capital with our heads held proudly high. Despite the difficulties, the obstacles, the propaganda, we have done this. Through SOVETSKAYA ROSSIYA I would like to wish all Soviet people the kind of victory which we have all been dreaming about for a long time." [passage omitted]

Before the opening of the rally, a reporter with a television camera leapt at Valentin Ivanovich Varennikov and Gennadiy Andreyevich Zyuganov who were standing nearby, and asked them a tricky question: What would they say if Yeltsin were here. Gennadiy Andreyevich answered as follows:

"In his speech on Red Square the president did not even mention Stalin, and after all he was supreme commander in chief and head of the state which ensured the victory. He also cunningly said that the men departed to defend Russia, but after all in 1941 they were defending the Soviet Union. If only in honor of those who fell, how about some common honesty, gentlemen!"

Valentin Ivanovich added fiercely and plainly:

"This is a disgrace! A vile picture is forming, and he, a coward, has even concealed Lenin's name. This is not just mockery, it is preposterous. I am appalled! I believe that this grime should be washed off the face of the people in the future."

The whole of Lubyanka Square and nearby streets were packed with people. Opening the rally, Army General Varennikov, hero of the Soviet Union and Victory Parade standard bearer, addressed those who had gathered:

"Esteemed Muscovites and guests in the capital! On behalf of the veterans of the Great Patriotic War, on behalf of all progressive parties and movements, allow me to fervently and cordially congratulate you and the entire people you represent on the momentous anniversary, the 50th anniversary of the Soviet people's victory in the Great Patriotic War. I declare the rally in honor of the 50th anniversary of the great victory by a great people open."

The anthem of the Soviet Union was sung.

Valentin Ivanovich went on to say the following in particular:

"Victory Day is our people's dearest and most precious holiday. All of humankind cherishes this holiday, realizing that the Soviet people's victory removed the threat of fascist enslavement. The following fact is an historical truth: It was specifically the Soviet people, under the leadership of the Communist Party, who blocked the path of Nazism, and no one else was able to cope with that task. On the first day of the war, the leadership of our fatherland made the following appeal to the people: 'Our cause is just, the enemy will be crushed — victory will be ours!' We believed in this prediction, and followed our leaders, and conquered! When people try to say now that our troops were in a terrible state, while everything was fine in the fascist German troops, then why did the occupiers not enter Moscow, whereas we took Berlin and hoisted the Victory flag over the Reichstag?! (Shouts of "hurrah!"). Through betrayal and deceit we have been presented with the fact of the collapse of the Soviet Union, the plundering of our country, and the humiliation and impoverishment of our people. It was not for this that we fought during the years of the Great Patriotic War! This was not what we gained as a result of our victory, that is not what we dreamed about after the war. A memorial to the great commander of our time, G.K. Zhukov, was unveiled yesterday. If Zhukov could see today what kind of country we live in he would be filled with indignation... Today, on the day of the 50th anniversary of the victory, the people of our country have the right to demand that all that has been taken away from us be returned. They have

the right to demand that privatization be discontinued, that trading in land be banned, that crime be clamped down on, and unemployment eliminated, and that normal civilized conditions be created for people. In their struggle for their just cause, the country's peoples are today relying on real forces — millions and millions of destitute people." [passage omitted]

Gennadiy Andreyevich Zyuganov was greeted with stormy applause:

"Let us look back once again at the feat of our grandfathers, fathers, and brothers," the speaker urged. "Why were they victorious? Because they were one single mighty Soviet Union, one Soviet people, and were led by the Communist Party, which had one advantage during the war years: The Communists were to be the first to go into battle and the first to fall. This was not mentioned this morning in sacred Red Square! Representatives of all the hero cities recently met in Stalingrad, on the Volga, where the turning point in the war began. There were 1,000 of them. They asked for the following message to be passed on: We will be together and will definitely restore the union state.

"We have a major political battle ahead of us. The present unity of the people, on the 50th anniversary of the victory, when a huge demonstration has shown who was the victor, should form the basis of a mighty union of state-patriotic forces. Our cause is just, we will definitely win. All we have to do is expel the liars from "Ostankino" and the Vlasovites [traitors] from the Kremlin (roar of approval from the square). [passage omitted]

Energy Minister Denies Involvement in Plutonium Smuggling

LD1205151695 Moscow INTERFAX in English
1246 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Russia's Atomic Energy Deputy Minister Viktor Sidorenko has called totally absurd charges that he has been involved in smuggling plutonium out of Russia into Germany.

Such allegations have appeared in the foreign media. When Sidorenko flew into Munich from Moscow on Lufthansa airlines on August 10, 1994, West German custom officers detained smugglers who arrived on the same flight with a suitcase containing 300 grams of plutonium.

In an interview with Interfax Friday, Sidorenko reported that he had travelled to Germany on an invitation from Bavaria's Society for the Safety of Nuclear Reactors and the Ministry of the Environment. Experts from

these organizations had scrutinized the project of a 640-megawatt nuclear power plant with top safety standards to be built in Sosnovy Bor (pine woods) near St. Petersburg.

Sidorenko and Bavaria's Environment Minister Thomas Goppel planned to meet the press on August 11. As Sidorenko recalled, German officials had informed him of the smugglers' detention on the following day. The suitcase containing the nuclear material, Sidorenko said, was screened by remote control devices. "When I flew back to Moscow on August 11, it was not yet opened," he said.

In his opinion, "it was a well-planned provocation, and now some services are seeking to rekindle the plutonium contraband scandal in detriment to Russia's interests." Sidorenko stressed that the German authorities had known about his visit in advance. "I immediately doubted that such coincidence was accidental," he said.

Sidorenko is surprised at why, despite repeated requests, Germany has never given to Russia for analysis by experts a sample of the smuggled plutonium. "Instead of such an analysis, there have been claims about the Russian origin of the nuclear material going on in Germany," Sidorenko said, recalling that last year a U.S. laboratory established that the plutonium had been from a country other than Russia.

As Sidorenko suggested, it should not be totally excluded that "someone managed to take out materials used in scientific instruments." However, in Russia, there has been "a system of strict control over bomb-grade nuclear materials, a system that has not faltered once." "Today, there are no reasons whatsoever to claim that substances suitable for making a nuclear weapon can be taken out of the country," Sidorenko concluded.

Federal Assembly

Duma Limits Government's Debt Rescheduling Powers

MK1205124495 Moscow KOMMERSANT-DAILY
in Russian 12 May 95 p 3

[Report by Aleksandr Volynets: "A Preferential Regime for Debtors Will Be Approved by the Federal Assembly"]

[FBIS Translated Text] At its session yesterday the State Duma adopted on second and third reading the law "On Rescheduling the Debts on State Credits Granted by the Russian Federation." In the process of approving the law, two of the five amendments moved by Deputy Stankevich were made in the draft, which did not change its substance. Under the law, as of

now international treaties and civil-law agreements on rescheduling debts on Russian state credits are subject to obligatory ratification by the Federal Assembly.

In signing, on 20 March in Kiev, the agreements on rescheduling Ukraine's overdue debts to Russia, First Vice Premier Oleg Soskovets thought that he was putting an end to the long drawn-out history of Ukraine's nonfulfillment of its debt obligations. Therefore the subsequent criticism of the Kiev agreements in the State Duma came as a surprise to the Russian government. It will be recalled that although the time frame for coordinating positions on the issue of debts was not observed due to the Ukrainian side, in March a tripartite compromise was found. Russia agreed to delay payments on servicing the bulk of both natural gas and state debts, while Ukraine undertook to pay the 1994 interest on the 1993 state credit. The IMF promised Ukraine that if it adopted a budget which suits the Fund and fulfills its obligations to Russia, it will be granted a standby credit of up to \$1.5 billion. Under the Russian-Ukrainian agreement, this year Russia will receive \$250 million in exchange for repaying and servicing state credits to Ukraine, and the Russian joint-stock company Gazprom will receive \$406 million. The agreements also provide for the possibility of calling Ukraine into default, which will entail the suspension of financial aid.

It is quite likely that it was the discontent among some of the deputies with the terms for rescheduling the Ukrainian debts that prompted them expeditiously to adopt a law which obligates the government to submit, within two months, concluded international treaties on rescheduling debts on state credits granted by Russia, for ratification to the Federal Assembly. Even after the law was adopted, Konstantin Zatulin, chairman of the CIS Affairs Committee, missed no opportunity to criticize Soskovets' recent visit to Kiev, in particular the March document on extending the term of repaying the state credit granted by Russia to Ukraine. He believes that this agreement harms Russia if only because the interest due on this credit has already reached \$485 million. On the whole, Zatulin said, the aggregate debts of states in the near and far abroad to Russia now stands at \$80 billion. In spite of the criticism by deputies, primarily Zatulin, the Russian-Ukrainian agreement, concluded before the law was passed, is not subject to ratification, and its provisions remain in force.

Duma Overturns Upper Chamber's Veto of Election Law

MM1205125895 Moscow IZVESTIYA in Russian
12 May 95 pp 1, 2

[Report by Sergey Chugayev: "Final Obstacle to Elections Overcome. Duma Beats Senate on 11 May in Battle for Its Law. The Old Electoral System Is Retained"]

[FBIS Translated Text] At its morning plenary sitting 11 May the State Duma managed at the third attempt to overturn the Federation Council's veto on the law on the election of Duma deputies adopted by the lower chamber. So it is the Duma version of the law that will be presented for the Russian president's signature.

There probably will not be any more plenary sittings as tense and dramatic as this in the present Duma. By overturning the Senate veto the Duma basically achieved one of its main objectives, so the deputies are now able to concentrate entirely on the election campaign. But few members of the lower chamber had believed beforehand that they would succeed.

The situation before the vote was pretty dire. As is well known, contrary to forecasts, the Federation Council assembled 4 May and rejected the law adopted by the Duma on elections of lower chamber deputies. The main stumbling block was the problem of the ratio between the number of deputies to be elected on party lists and the number to be elected in first-past-the-post districts. The Duma proposed a ratio of "half and half," while the Senate suggested two-thirds in first-past-the-post districts and one-third on party lists. To overturn the veto the Duma needed to get at least 300 votes in favor of its version of the law.

All the preliminary calculations showed that this problem was unlikely to be resolved (largely due to the appearance of new deputies' associations which took the side of the Federation Council). So a compromise version was devised just before the vote — 150 deputies to be elected on party lists and 300 in first-past-the-post districts. The idea was to put it to a vote if the attempt to overturn the veto failed. But many deputies were highly skeptical even about this version.

Meanwhile, the fate of the law was becoming increasingly significant. The law on elections of deputies has to be finally adopted not later than the end of May. It had to be taken into account that after this law another rather complex law has to be adopted on the creation of electoral districts (the parliamentary recess starts 22 July), and that, under the constitution, the elections have to be declared 17 August. There was a real danger that it would be impossible to hold the elections since the existing basic law prohibits the introduction of election

legislation by presidential edict. The postponement of the elections would have led to entirely unpredictable consequences, since, in accordance with the transitional provisions of the constitution, the current State Duma deputies' term expires 12 December. In other words, Russia was in danger of finding itself without a lower chamber of parliament by the end of the year.

It was these considerations that were the chief argument of the supporters of the Duma version of the law when persuading their colleagues who opposed them.

It appeared at first that the gloomy forecasts would come true. The first attempt to overturn the veto failed. The deputies were also unable to adopt the compromise law. The second attempt also failed, for want of eight votes. I. Rybkin called a 15-minute break. They "worked on" the opposition. Finally, they succeeded — 302 votes for the Duma version of the law.

It is not inconceivable that one thing that made a number of deputies change their positions was the realization that by overturning the Senate veto, the Duma was placing all responsibility for the fate of the law and the elections in general on the shoulders of the president, who is now, in turn, under pressure of time. If B. Yeltsin refuses to sign the law it could disrupt the elections. And the blame would then rest with him personally, since he has promised the world community that the elections will take place. But, according to representatives of the president's entourage, the law will most likely be signed. Following the adoption of the strategic decision to enter the elections with two mighty blocs, the question of the ratio of independent to party deputies in the future Duma is largely irrelevant.

Duma To Hear Government Budget Report in Late May

MK1305054095 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 95 p 2

[Unattributed report under the "In Brief" rubric: "Deputies Are Worried"]

[FBIS Translated Text] The Russian Federation State Duma has decided to hear, at the end of May, a government report on the implementation of this year's federal budget up to now. Deputy Anatoliy Gordeyev (Communist Party of the Russian Federation faction), who proposed this yesterday, pointed out that Finance Minister Vladimir Panskov "painted a rosy picture" when, at the recent government sitting, he reported on the fulfillment of the federal budget for the first quarter — whereas, the deputy averred, the realization of many programs is being threatened.

Duma Faction Blasts Cabinet for Neglecting Agriculture

LD1305204595 Moscow ITAR-TASS in English 2025 GMT 13 May 95

[FBIS Transcribed Text] MOSCOW, May 14 (Itar-Tass) — Russia's Agrarian Party blasted the government for lack of attention to the needs of agriculture that has led to its disintegration.

The government has failed to take the necessary measures to prevent the disintegration of agricultural production and has limited its efforts to formal recommendations to the Coordinating Council for Collective Actions of the Workers of the Agro-Industrial Complex, a statement adopted by the party faction in the State Duma on Saturday said.

Having considered the implementation of decisions adopted on April 5, 1995 by the All-Russia Assembly of Peasants, the faction noted that the spring and autumn field work revealed serious violations of the schedule and agricultural techniques. The number of cattle continues to decrease, the social infrastructure of the Russian countryside is deteriorating, while peasants have to wait months to collect their pay.

The faction blasted the government for its failure to implement the 1995 budget and provide funds for agriculture. Instead the government is busy setting up a "party of power," it said.

"The faction of the Agrarian Party of Russia reserves the right to raise the question of no-confidence in the government at a State Duma session in the near future," the statement said.

Regional Affairs

Further Reportage on Situation in Chechnya

Shakh-ray: 'Slim' Chance for Extended Moratorium

LD1205150995 Moscow ITAR-TASS in English 1441 GMT 12 May 95

[By Tamara Zamyatinal]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — Chances for prolonged moratorium on combat operations in Chechnya which expired last night are slim, Russian Vice-Premier Sergey Shakh-ray told Itar-Tass today. Shakh-ray helped to elaborate a draft presidential decree on moratorium that was in effect from April 28 through May 12. In his words, Shakh-ray "did not discuss another peace-making initiative" either with the President or the Prime Minister.

A major reason for this is that the moratorium was ignored and broken by Chechen militants, said Shakhray. "Attempts of Dzhokhar Dudayev to aggravate the conflict with his appeal to international organizations also hamper prolongation of the moratorium," he said.

In the words of Shakhray, a draft statement with a proposal on truce in Chechnya was prepared for today's constituent congress of the "Our Home - Russia" election movement. "However, it was inappropriate to read out the draft against the background of militants' attacks on federal positions."

At the same time, the movement council is preparing a new initiative on political settlement of the Chechen crisis, said Shakhray. He did not comment on the essence of the possible initiative.

Dudayev's Men Continue Armed Actions

*LD1205200095 Moscow INTERFAX in English
1818 GMT 12 May 95*

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — The Chechen formations which remain loyal to Dzhokhar Dudayev are continuing to launch armed actions against federal troops in Chechnya, a well-informed source in the federal troop command in Chechnya told Interfax this evening.

The same source said that the moratorium on military actions by federal troops in Chechnya, expiring last night, "has not in any way influenced the tactics of Chechen militants."

However, the official declined to elaborate what kind of actions illegal bandit formations launched this morning and what the response of federal troops was.

Acting Commander of the Joint Group of Federal Troops in Chechnya Mikhail Yegorov made a statement on May 7 warning Chechen separatists that after the moratorium expires federal troops will be firing back in response to attacks coming from residential districts and villages. Earlier, this was not done due to humane considerations.

Army Preparing To Attack Mountain Villages

*LD1305055395 Moscow Radiostantsiya Ekho Moskvy
in Russian 0200 GMT 13 May 95*

[FBIS Translated Text] According to our correspondent's information, the Russian Army is preparing attacks in Chechnya in two directions — against Vedeno and Shatoy. These are mountain villages well defended by fighters.

Komsomolsk Sends Special Operations Unit to Chechnya

*LD1305080995 Moscow ITAR-TASS in English
0802 GMT 13 May 95*

[By Albert Akhmetshin]

[FBIS Transcribed Text] KOMSOMOLSK-ON-AMUR May 13 (Itar-Tass) — Fifty-five servicemen of a special operations police unit from Komsomolsk-on-Amur went to Chechnya today.

The task of the unit is reinforcement of law and order and disarmament of Chechen rebels.

Head of Komsomolsk's interior department Boris Krasikov said the unit had been through special training for action in emergency conditions.

The unit will replace special operations teams from Khabarpvsk and Amursk which remained in embattled areas of Chechnya since March 20.

Komsomolsk sends the second police unit to Chechnya.

'Vesti' Report Critical of War in Chechnya

*LD1305110295 Moscow Russian Television Network
in Russian 1000 GMT 13 May 95*

[Video report by E. Guretskaya, including comment by A. Buzgalin, Moscow State University professor; from the "Vesti" newscast]

[FBIS Translated Text] [video shows archive clips of destruction and military operations in Chechnya] The war in Chechnya has been going on for five months. The operation to put an end to the activities of the illegal armed formations on the territory of the Chechen Republic — that is what the edict signed by the president said — began on 11 December. On 12 December the president's press secretary gave assurances that Grozny would not be stormed. Where is that press secretary now? And what happened to Grozny? These are rhetorical questions. Communiques on military operations in Chechnya continue to be part of every news bulletin, but long ago they took on a different tone, a sort of obligatory daily report in the official chronicles section. In addition, the reports on the numbers of dead and wounded have begun to be accepted as everyday events, and the voices of protest in society have become weaker and less frequent. [video shows news conference, weeping women]

Today's news conference by the Memorial Society brought together a small number of journalists and women who have come from Chechnya in an attempt to portray the truth — their truth. By whom and for what reason is this protracted war needed in which,

experts believe, about 30,000 Chechens have been killed and thousands of Russian soldiers have been killed or wounded?

[Buzgalin] A country that is ruled by a rather narrow circle of clans — the corporations controlled by the bureaucrats and former communist officials on the one hand and by criminals on the other— such a country will naturally try to profit from everything, even from the kind of bloody slaughter that is occurring in Chechnya, even from this crime.

Grachev — Troops To Remain Until 'Bandits' Give Up

LD1305125795 Moscow Radio Rossii Network in Russian 1100 GMT 13 May 95

[FBIS Translated Text] While visiting a new cardiology unit at Moscow's Burdenko military hospital, Russian Defense Minister Pavel Grachev finally dotted all the i's as to the possibility of extending the moratorium on military action in Chechnya. He told journalists the following:

[Begin Grachev recording] The moratorium has not been observed. It expired yesterday. As of today, more vigorous actions will be taken primarily by interior troops and militia, actively supported by the artillery and aviation of the armed forces, to eliminate the bandit formations remaining in the republic. As for how long it will go on, it will go on for as long as needed, first and indeed second, until the remaining bandits understand the hopelessness of their position and give up. We will withdraw all units that went there from other military districts and fleets, and leave there only units and formations that will be part of the newly-created army of the North Caucasus Military District. [end recording]

Ingush Authorities Continue Search for U.S. Citizen

LD1305143095 Moscow INTERFAX in English 1331 GMT 13 May 95

[FBIS Transcribed Text] NAZRAN, May 13 (Interfax) — Ingushetia set up an operative group to search for the representative of the Soros Foundation Fred Cuny — an American citizen who disappeared in Chechnya in early April.

As the press secretary of Ingushetia's Interior Ministry Jabrail Bogatyrev told Interfax's correspondent, the operative group includes experienced investigators. It is led by Ruslan Khamkhoyev, Deputy Chief of Ingushetia's Criminal Investigations Department.

The group was set up on instructions from President Ruslan Aushev, who met with Fred Cuny's brother and son on Tuesday.

Cuny's son is now in Ingushetia; he is daily briefed on the course of the search.

On Friday officials from Ingushetia's Emergencies Ministry went to the village of Vedenov in the south of Chechnya to verify fresh information concerning Fred Cuny and those who accompanied him.

In the meantime Said-Amin Khaikharoyev, divisional inspector in the village of Bamut in Chechnya's southwest, told Interfax's correspondent on Saturday that he is verifying the rumors that Fred Cuny disappeared in the area of Bamut.

Federal Forces Say Situation 'Tense'

LD1305164995 Moscow INTERFAX in English 1525 GMT 13 May 95

[FBIS Transcribed Text] MOZDOK, May 13 (Interfax) — The press service of the command of the Joint forces reported to Interfax that the situation in the Chechen republic remains difficult and tense.

Over the previous night positions of the federal forces were subjected to shelling 11 times.

At their meeting on Saturday commander of the group of the interior forces and representatives of the administration of Chechnya's Nozhai-Yurt region discussed possibility of negotiations between representatives of illegal armed formations and federal authorities.

Representatives of the local authorities reported that fighters seize their villages by fraud asking to let them for a night in the houses of civil citizens and then provoke fire of federal forces against this populated center by their actions forcing residents of the village to leave it. Dudayev's supporters, representatives of the regional administration said, rob houses for several days and then go to another populated center.

At the meeting the parties reached an agreement that citizens of several populated centers of the Nozhai-Yurt region would not let fighters in their villages.

Representative of Ichkhoy-Yurt's administration reassured that the residents of this populated center will force out the fighters by themselves after that military units of the federal forces will deploy near Ichkhoy-Yurt in order to exert control over this region.

The press service of the federal command also reports about activation of Dudayev's propaganda. For example, systematic radio and broadcasting from mobile centers has been resumed, a newspaper published by

Dudayev's supporters is distributed among the population.

Federal Forces Shell Chechen Positions in South

LD1305184595 *Moscow Voice of Russia World Service in English* 1800 GMT 13 May 95

[FBIS Transcribed Text] The Russian federal forces on Saturday rocketed the Chechen positions near the southern Chechen villages of Bamut and Orekhovo in a fresh effort to flush out General Dudayev's separatist fighters. Russian Defense Minister Pavel Grachev said the operation will continue until the fighters realize the hopelessness of their situation, and stressed that negotiations were possible only after the fighters agreed to unconditionally lay down their arms. Today's attack followed the expiration on Friday of the cease-fire introduced by President Boris Yeltsin for the period between April 28 and May 12, and generally ignored by the Chechens.

Fighting in Grozny Overnight; Combat Aircraft Seen

LD1405083895 *Moscow ITAR-TASS World Service in Russian* 0605 GMT 14 May 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Grozny, 14 May — The night in Grozny went by with the familiar thunder of automatic weapons and artillery being fired. The roof of the ITAR-TASS's correspondent's office in one of the suburbs of the Chechen capital was hit by a few stray bullets.

It is virtually impossible to obtain reliable information here on the situation in Grozny and the other parts of Chechnya. Even the government bodies know nothing of what is going on, while the military refuse to comment. Armed clashes are continuing southeast of Grozny to judge by the combat planes flying over the city and by the cannon fire.

OSCE Mission Denies Suffering Casualties in Attack

LD1405081095 *Moscow ITAR-TASS World Service in Russian* 0618 GMT 14 May 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Grozny, 14 May — The ITAR-TASS correspondent received a denial today from the OSCE [Organization for Security and Cooperation in Europe] mission in the Chechen Republic that one of the mission's members was killed yesterday in the Shali District of Chechnya when a group of observers from the OSCE was caught in a bombardment.

One of the mission's officials, who asked not to be named, confirmed to the ITAR-TASS correspondent that an incident had indeed occurred during the observer group's visit to Shali District but that it was not tragic in nature. None of the mission's members was hurt.

Federal Artillery Shells Bamut

LD1405133695 *Moscow INTERFAX in English* 1324 GMT 14 May 95

[FBIS Transcribed Text] NAZRAN, May 14 (Interfax) — On the night for Sunday [13 May] federal artillery shelled positions of the Dudayev formations, who are defending the Bamut settlement (to the south-west of Grozny, near the border with Ingushetia).

According to the Interfax correspondent in Ingushetia, fire exchanges flared up and down at night around Bamut. Since the morning of May 14 Russian combat helicopters have been raiding in the direction of this settlement. Shelling also resumed, however with less intensity.

Meanwhile, according to the information from the Chechen sources, Dudayev supporters, despite the statement by Defense Minister Pavel Grachev about intensification of fighting in Chechnya following the moratorium, intend "to fight to death". These sources do not rule out that federal troops will soon storm Bamut.

Dudayev Troops Shell Russian Positions in Grozny

LD1405160595 *Moscow INTERFAX in English* 1532 GMT 14 May 95

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — Dudayev formations 18 times shelled on Sunday throughout the day the positions of federal troops in Grozny, a spokesman for the government service with reference to an Interior Ministry's source in Grozny, told Interfax.

According to the spokesman, this was the most powerful shelling of Grozny from different types of weapons over the past six weeks. The source also said that no reports came so far about the casualties on both sides.

Russian Troops Shell 'Militants' Near Bamut

LD1405170095 *Moscow ITAR-TASS in English* 1627 GMT 14 May 95

[By Ruslan Maysigov]

[FBIS Transcribed Text] NAZRAN, May 14 (Itar-Tass) — Russian troops shelled Chechen militants' positions near the settlement of Bamut, 40 kilometers southwest of Grozny, on Sunday, according to witnesses' reports.

The witnesses claimed that the Russian troops bombed and fired missiles at the positions of Chechen separatist leader Dzhokhar Dudayev's forces.

The federal armed forces were also reported shelling a forest around Bamut where Dudayev's militants are believed to have established their positions.

Search for U.S. Aid Worker Continues

LD1405202495 Moscow ITAR-TASS in English
2008 GMT 14 May 95

[By Ruslan Maisigov]

[FBIS Transcribed Text] NAZRAN, May 15 (ITAR-TASS) — Russia continues the search for U.S. aid worker Fred Cuny, his interpreter and two Russian Red Cross officials missing in Chechnya.

They are said to have gone missing somewhere between the settlements of Bamut and Achkhoy-Martan on April 7-9.

The search for Cuny and his colleagues also involves Ingush specialists at the request of the U.S. Embassy in Russia and Ingush President Ruslan Aushev.

A special operational groups has been set up to this end. In the last two days it had talks with representatives of the Russian troops and Chechen separatist leader Dzhokhar Dudayev's militants.

Russian Forces Attacked Four Times Overnight

LD1505055595 Moscow Radiostantsiya Ekho Moskvy
in Russian 0400 GMT 15 May 95

[FBIS Translated Text] Nikolay Nagornov, military commandant in the Chechen Republic, said subunits of the Russian forces came under attack from Dudayev's formations four times last night. At least four servicemen were wounded.

Grozny Quiet Overnight; Roshni-Chu Villagers Flee

LD1505082595 Moscow ITAR-TASS World Service
in Russian 0711 GMT 15 May 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Grozny, 15 May — Last night was surprisingly quiet in Grozny. Automatic gunfire was heard only several times. Evidently this was due to the movement of a considerable number of troops to the southern and southwestern areas of the republic where on the other hand combat operations have been stepped up.

According to the testimony of refugees, for the fourth day running federal forces have been mounting artillery,

missile, and bombing strikes on areas in the foothill zone of Chechnya. At the OSCE [Organization for Security and Cooperation in Europe] mission in Grozny the ITAR-TASS correspondent spoke today to a 43 year-old resident of the village of Roshni-Chu who was waiting for admittance to the mission. The man, who asked not to be named, said that amid the federal forces' strikes 32 of his fellow villagers had made for the hills last night to join Dudayev.

Russian Troops Shell Southern Foothills

LD1505074995 Moscow ITAR-TASS in English
0740 GMT 15 May 95

[By Sharip Asuyev]

[FBIS Transcribed Text] Grozny May 15 (Itar-Tass) — Russian troops continued shelling southern Chechen foothills for the fourth day Monday making residents of local villages flee to join militants loyal to Chechen separatist leader Dzhokhar Dudayev, witnesses said.

A 43 year-old resident of Roshni-Chu settlement, who asked not to be named, told Tass that 32 residents of his village fled from artillery and missile strikes overnight to the mountain bases of the militants.

Combat activities have become more active in the southern and south-western regions of Chechnya of late, while in Grozny the situation was surprisingly quiet overnight and only several submachine gun shots were heard.

This can be explained by the transfer of most troops and hardware to the foothills of Chechnya.

Chechens Reportedly Planning Terrorism

LD1505094895 Moscow INTERFAX in English
0917 GMT 15 May 95

[FBIS Transcribed Text] MOZDOK, May 15 (Interfax) — Illegal armed units fired at federal positions four times in Grozny last night, sources at the federal command's press center told Interfax today. The sources described the Chechen situation as "tense."

In their words, the Chechen illegal armed units' command has decided to stage terrorist attacks in the towns of Grozny, Gudermes, Argun and Shali.

According to information of the federal command, armed supporters of Dzhokhar Dudayev continue to reinforce their units near the highland settlement of Bamut on the Ingush border. Militants are building up multi-echelon defense in this area.

The illegal armed units are trying to push towards the population center of Asinovskaya, bordering Ingushetia,

so as to attack federal troops from behind, said press-service sources.

A meeting of militant field commanders from the so-called southern front was held in the population center Nozhai-Yurt. The commanders pledged to seize Gudermes, currently under control of federal troops.

Chechens Attack Border Posts Overnight

LD1505101095 Moscow ITAR-TASS World Service
in Russian 0931 GMT 15 May 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 15 May (ITAR-TASS) — The illegal Chechen armed formations are conducting active combat operations along the republic's administrative border, which is covered by Russian border guards. ITAR-TASS was told by the Federal Border Service today that last night Chechen fighters attacked a number of border posts in the vicinity of the village of Assinovskaya in Chechnya simultaneously. They attacked with massed automatic weapons, grenade launchers, and mobile rocket launchers.

The attackers were stopped by retaliatory fire from the border guards. Private Aleksey Timofeyev received a head wound.

The Russian Federation's Border Service said that the attacks on border units and posts are made because the border guards stop fighters crossing into regions which neighbor Chechnya. Moreover, they prevent the replenishment of stocks of weapons and ammunition which the illegal armed formations particularly need at present. Analysts at the Russian Federal Border Service suggest that the leaders of the Dudayev formations have not altered their plans to involve other North Caucasus peoples in the conflict.

Hungary Claims Russians Fired on OSCE Convoy

LD1505115695 Budapest Kossuth Radio Network
in Hungarian 1000 GMT 15 May 95

[FBIS Translated Text] Last weekend Russian military vehicles opened fire on a convoy of the Organization for Security and Cooperation in Europe [OSCE] mission in Chechnya. The diplomats were trying to find a missing representative of a U.S. charity, or his corpse. Our foreign affairs editor, Istvan Kulcsar, gathered more information on the incident.

[Kulcsar] Has the Hungarian Foreign Ministry received any reports on the incident, particularly as the head of the mission is a Hungarian diplomat, Sandor Meszaros? I put the question to Foreign Ministry spokesman Gabor Szentivanyi.

[Begin recording] [Szentivanyi] According to the latest information we received this morning, indeed, such an incident did take place. I hasten to add however, that it was not an action by the OSCE mission but a U.S. action, to which the American member of the OSCE group who stayed there officially belonged. This group was involved in the incident. Obviously, they were caught between two lines of fire. The route they took was within an area of armed fighting.

[Kulcsar] Did they report their planned route to the warring sides in advance?

[Szentivanyi] Yes, in cases like this they normally report it officially to the warring sides — particularly if the OSCE mission is involved. Let me stress again that this group did not go on behalf of the official OSCE mission. These reports, however, do not always get to the forces concerned in good time.

[Kulcsar] Does the OSCE mission wish to lodge a protest with the Russian side?

[Szentivanyi] At present they are trying to clarify the reasons for the attack and discuss its various aspects with the sides. [end recording]

St. Petersburg Mayor Sobchak Does Not Seek Presidency

MM1505100695 Moscow SOVETSKAYA ROSSIYA
in Russian 13 May 95 p 1

[Interview with Mayor of St. Petersburg Anatoliy Sobchak by "Our [as published; Russian — nash] DEUTSCHE WELLE correspondent Liliya Makeyeva: "Where Will the Troika Gallop To? Sobchak Promises No Surprises"]

[FBIS Translated Text] On a visit to Cologne Mayor of St. Petersburg Anatoliy Sobchak agreed to answer our DEUTSCHE WELLE correspondent Liliya Makeyeva's questions.

[Makeyeva] What have you got to say about the emergence of the troika — president, prime minister, and speaker? Where is the troika going to gallop to? What about the attempt to organize this party of government [partiya vlasti]?

[Sobchak] There have been many attempts like this before, but nothing substantial has come out of them, because they were all attempts to organize a political movement from above? Although, in principle, the creation of major political parties and the unification of smaller political groupings which are difficult to distinguish from one another in terms of their views, and the creation of right-of-center and left-of-center parties,

as has been announced, is beneficial and I think this will have a part to play in the elections.

[Makeyeva] Do you think this troika has an ideological platform and is not just a means of holding on to power?

[Sobchak] Of course, the intention is to hold on to power. But it is also an attempt to unite not actually the democratic forces, but the reformist forces, those who are prepared to support the reforms, taking into account shades of opinion and different ideas about how to tackle economic and political problems.

It is roughly what the Americans did in Germany immediately after the war, when political parties were created to some extent from above, rather than from below, as a result of the tendencies and wishes of the politicians themselves. This then became part and parcel of political life.

[Makeyeva] As regards the upcoming elections, can we expect any surprises from you? Perhaps you too are preparing some kind of bloc?

[Sobchak] As for the organization of a political bloc in St. Petersburg, this we have been engaged in for a long time, and there will be one. It has long been my intention to unite all democratic reformist forces who would support both candidates for the Duma and a candidate for the presidency, who would ensure a future for a democratic Russia... I believe this kind of bloc will be created in St. Petersburg. Whether it becomes a national organization or we support one of the party blocs currently being set up will depend on the way things go.

[Makeyeva] If you were summoned by the party you have organized to run for the presidency, would you risk it?

[Sobchak] No, I will be running for mayor of St. Petersburg again because I am a practical man and I want to see some practical results of my activities in my own lifetime. But to take on all the responsibility, the full weight of the responsibility the president has to bear, is not for me...

Governor Nemtsov on Nizhniy Novgorod Charter

954F2267A *Nizhniy Novgorod NIZHEGORODSKIYE NOVOSTI in Russian* 26 Apr 95 p 1

[Article by Ye. Maslova: "Gubernatorial Elections: The Deputies Have the Floor"]

[FBIS Translated Text] The signatures of two equally powerful people, A. Kozeradskiy and B. Nemtsov, which are on the oblast Charter might not be to the liking of Moscow, which has done everything it could so that after 3 October 1993 the representative power

in Russia would actually cease to exist—stated oblast Governor B. Nemtsov at a news conference held after the festive ceremony for the signing of the Charter. But Moscow will not openly express its dissatisfaction, since formally this norm is not prohibited by Russian law. The principle of equality of the two branches of power was also reflected in the text of the Charter, according to which two signatures are mandatory for any oblast law. In the governor's opinion this is a peculiarity of the Nizhniy Novgorod charter and distinguishes it from documents adopted by other territories of Russia.

At the same time both Kozeradskiy and Nemtsov emphasized that Nizhniy Novgorod Oblast does not lay claim to any kind of exclusiveness: either for tax federalism or, certainly, territorial. The example of Tatarstan, Bashkortostan, and the Republic of Sakha (Yakutia) is unacceptable to Nizhniy Novgorod. The Charter is so much within the spirit of Russian legislation that, by the admission of participants in the news conference, "whenever there was even the slightest doubt we referred to Russia's laws which either will be or already have been adopted."

The charter of Nizhniy Novgorod Oblast shows that those who voted for it voted for a united Russia," B. Nemtsov summed up what had been said in this regard.

The Charter declares that not only the organs of power but also the governor is to be elected. In this connection the journalists were interested in this question: Will the existence of the Charter move up the date of the gubernatorial elections, which the central powers are trying in all ways to postpone? B. Nemtsov answers:

"Recently in Moscow I met with the chief of the president's administration, S. Filatov, who stated that after his vacation the president had decided to hold the election of the governor of Nizhniy Novgorod Oblast, and, incidentally, of a number of other oblasts as well. The date of the elections will be determined by the deputies of the Legislative Assembly. Naturally, after the local law on gubernatorial elections is passed. The deputies have the draft of this law and I hope that the elections will take place this year. Thus what I have been dreaming about since 1991 will come true."

B. Nemtsov considers the nationwide elections to be a guarantee of the stability of the governor's position with any composition of the legislative power. In his opinion, nobody running for the post of president would raise a hand against elected organs of power. With the exception of Zhirinovskiy, whose election as president would have to be regarded as a natural disaster. Nemtsov thinks that Moscow will not lose anything as a result of the gubernatorial elections. It has levers that are stronger than administrative ones to influence regional politicians

and the politics of the regions: the budget and taxes. It would take nothing for the central authority to create such unbearable financial conditions for the territory that any desire for sovereignty would fade away. And even the most obstinate governor, if he has any sense of responsibility to the people, will conduct himself very correctly.

"Moscow should not be afraid that the governors will become a political force, because they are such a force even now when they are appointed," B. Nemtsov went on to say. "In the first place they actually have control of the Federation Council and no Council decision can be adopted without the consent of the majority of them. In the second place, with their current authority on their territories, the representative and executive powers of the territories can strongly influence the adoption of decisions by the central authority. It would be impossible to reverse this process if only because the Constitution clearly defines the authority of components of the Federation. I think that relations will be arranged on a constitutional basis and disputed issues will be resolved in a civilized way. And it would be unlikely for the authority in the country to suddenly change with the coming of a new president.

Novosibirsk Oblast's Budget, Investments Examined

954F2248A *Novosibirsk SOVETSKAYA SIBIR*
in Russian 6 May 95 p 16

[Article by Pavel Isayev, deputy of the Novosibirsk Oblast Soviet and chairman of the Novosibirsk Road Fund: "Changes Are Becoming Imminent.... Judging by Last Year, Changes in Economic Policy and Changes for the Better Are Not Expected. But They Are Becoming Imminent...."]

[FBIS Translated Text]

Let Us Learn To Count and Ask Questions

According to a statement by A. Stepanov, chief of the financial and tax policy office of the oblast administration: "...the share of the deductions that remain in the oblast decreased....to 59 percent in 1994. In 1995 it will decrease another 2 percent (NOVOSIBIRSK NOVOSTI No. 22, 22 April, page 11).

Meanwhile, official statistics say something else.

According to data of the tax inspectorate (oblast soviet Information Bulletin No. 3, March 1995), taxes and fees of almost 2 trillion rubles [R] were collected in 1994 on the territory of the oblast (more by a factor of almost 4.2 than in 1993). Of this sum, R1.4 trillion, that is 71 percent, remained on the territory of the oblast. Another R225 billion transferred to the oblast budget from the

resources of the Russian Federation Ministry of Finance should be added here.

We will note that Novosibirsk makes the biggest tax payment— R1.25 trillion, or 63 percent—while 30 rural rayons (other than cities of oblast subordination) pay R274 billion (14 percent).

A total of R924 billion was expended from the oblast budget in 1994. Of this, a little more than one-fifth of all expenditures were directed to social programs—R195 billion (73 percent of what was projected). Almost half of all expenditures of the oblast budget (R464 billion) were directed toward villages.

The 1995 tax situation is as follows. Judging by the budget message of the oblast administration chief, the sum of taxes and various other payments (including the federal transfer and subsidies) will increase from R1.6 to R3.09 trillion; i.e., almost a factor of two.

The structure of payments will really change. It is proposed to acquire a big part of them from a tax on profit—R1.036 trillion, and the decrease in the share of VAT (from 30 to 19 percent) is compensated for by an increase in the importance of income tax (from 14 to 19 percent) and property tax (from 4 to 9 percent).

Of the expenditure articles of the budgets of all the territories, we will note the especially large ones (in billions of rubles): the national economy—963, the social sphere—1,442, capital investments—138, state administration—55, and sundry expenditures—134.

In sum total the income of the oblast budget will comprise approximately half (taking into account the transfer of R203 billion)—R1.46 trillion.

Besides the budgets, oblast "public" money is concentrated in off-budget funds—R1.817 trillion. The following are the largest of the 10 oblast funds (in billions of rubles): 308—road fund, 1,156— pension fund, 159—social insurance fund, 103—medical insurance fund, and 85—the employment fund.

"Where Is the Money, Zina?"

If all the resources of the budgets of the territories and off-budget funds are added up, the total is almost R5 trillion. Thus the payment of each family of four persons for the public needs of the oblast in the form of taxes (not counting payments to the federal budget) will amount to about R7 million. Moreover, this sum must be "returned" to us in the form of pensions and wages of the budgeters with free services or subsidies for paid services.

However, judging by the increase in prices and the rates for paid services, nothing of the sort will occur.

According to materials of the social-economic policy department under the oblast soviet, in 1994 paid services increased by a factor of 5.6 and municipal services by a factor of almost 100. And this trend is continuing. Since 1 February of this year there has been a sharp increase in rent—by a factor of two, payment for hot water supplies—by a factor of 2.2, and telephone services—by a factor of 1.4 (and soon by a factor of two). Moreover, in comparison with our neighbors in the region, we hold the leading position: for rent—in second place (out of eight), for heat—in first place, for telephone service—in second place. But, dear me, where does the money go?

Perhaps we are leading in wages? Not at all! More precisely, it is the opposite. At the end of 1994 the average wage in the oblast for December amounted to R299,000—seventh place in the region (in January it declined another 14 percent). In terms of the population of the oblast we receive less than our tax payments to the budget and off-budget funds...

Other questions also arise.

For example, given such an insignificant share of expenditures for social needs, why did we freeze compensation payments for children last year (for almost a year in Novosibirsk) and the wage increase of workers in the budget sphere?

Or this one. It is known that two-thirds of agricultural products are transported and sold outside the boundaries of the oblast. Meanwhile, all local taxes and about half the oblast budget were sent to rural rayons. The income of city dwellers that went there was hardly enough for nourishment (after the payment of rents and municipal services). However, rural workers' wages remain the very lowest.

So whom are we subsidizing, and whom are we paying? For whom are incomes accumulating, and where are the appropriate VAT and various other taxes? Finally, if the money is still coming in, why is the tax return from the rural territories so low (a total of 14 percent)?

All these questions were directed to the local authorities, but no convincing answers have been heard yet. Obviously, the long-expected government commission will not provide them. Perhaps the auditors should be called and not the commission?...

Investments: Moving in a Circle...

We actually live by the day—the measures being adopted by the authorities are not promoting the creation of conditions for an economic boom: Taxes are maximal, production is falling, and there are no prospects.

The situation is deadlocked also because everything is really being done to discourage investment—there are

no acceptable conditions or guarantees for the protection of private investment. But there is more than enough people who would like to redivide someone else's. By the same token, national capital is actively being moved into the criminal sphere and outside Russia's borders.

But there are possibilities. Among them—the attraction into the oblast of free resources from other regions with certain privileges (as is being done, according to Yegor Gaydar, in Nizhniy Novgorod and St. Petersburg). Another source is foreign bank capital. There has been interesting talk more than once about this with local financial companies, and also with the first secretary of the U.S. Embassy.

However, last year the foreign trade turnover of the oblast (excluding the CIS) totalled \$200 million, of which \$128 million relates to industrially developed countries. For us this is a drop in the bucket, and the Russian-American joint enterprise Minsim (which was recently "successfully" disorganized) alone produced 40 percent of the volume of Novosibirsk Oblast's exports and approximately just as much in turnover.

Contrary to the declaration of the oblast authorities, Russian-American ties are being frozen, and there is no movement in the implementation of the signed Russian-American memorandum and draft on the formation of an American business center in Novosibirsk. What is worse, a tendency has been noted toward displacing already operating investment programs and the business cooperation that has been set up.

Such a path is not promising. It appears that we are moving in a vicious circle from year to year. Realizing this fact is an important prerequisite of change.

Who Will Win the Elections for Governor?

Elections for governor are inevitable, although there is still hope that the oblast soviet will revive the executive model of "party leadership." It is most likely that they will be held in the summer of 1996. Although there is not much time, there is enough to coordinate the interests of large and medium-sized capital and to determine basic positions of social-economic policy for the coming four years.

The need for change is obvious. Therefore, victory will await the candidate who is already today really achieving success and who knows what it feels like to experience all the delights of the epoch of "developed bureaucratism."

The oblast administration team also has good chances (in the broadest sense of the word). But only on condition that it proves in deed and not just in words a capacity for realistic evaluation and management of the

economic situation under contemporary conditions and confirms a reputation that is irreproachable and rejects questionable ties. The main thing is to convince the voters of this.

But in any case, changes are inevitable. I hope these changes will be for the better....

Maritime Kray's Economic Crisis Examined

954F2251A Moscow IZVESTIYA in Russian
5 May 95 p 2

[Article by IZVESTIYA correspondent Sergey Leskov: "Called on the Carpet, Governor Nazdratenko Calls in Sick; Meanwhile, the Procuracy Will Be Looking Into the Causes of the Economic Crisis in Maritime Kray"]

[FBIS Translated Text] The meeting of the Government of Russia commission on improving the system of payments and clearing, chaired by Deputy Prime Minister A. Chubays, was held behind closed doors. The cautionary measures were necessitated by the meeting's scandalous topic—the recent economic crisis in Maritime Kray, where a couple of dozen miners had gone on hunger strike right at the mine face, and a general strike paralyzed the coal basin's operations for two weeks.

Maritime Kray Governor Yevgeniy Nazdratenko, summoned in as a cospeaker, did not show up on the pretext of being ill. The fact of the governor's indisposition prompted sarcastic remarks on the part of the deputy prime minister, who a month ago raged on the subject of Nazdratenko's long foreign voyages at such an inappropriate time. And now the elusive governor had again avoided a face-to-face meeting....

As to kray administration messengers, according to meeting participants, they frequently talked off the cuff. The commission noted the Maritime Kray administration's professional incompetence and inability to resolve questions within its authority in this situation. The administration had not only been unable to find out on its own the causes and problems within the sphere of its competence, but even after facts of violations had been uncovered, it did not take the necessary steps to eliminate them. The only mild consolation for the administration is the fact that it probably has managed to deflect one of the most unpleasant charges leveled against it—the question of purchasing coal in China at prices higher than those asked by Maritime Kray miners. This contract for 250,000 tonnes of coal (the kray's total consumption amounts to 16 million tonnes) was signed on the threshold of winter, when there was a shortage of local coal and it seemed the region might freeze.

Most of the displeasure was addressed at the power generation sector. Dalenergo head Yu. Basharov got raked over the coals the most. The question of his fitness for the job was brought up. It was held against the general director that while miners were not being paid for the product they delivered, considerable money was being transferred to commercial banks and authorizations signed to pay dividends to Dalenergo stockholders.

In addition, the Mintopenergo [Ministry of Fuel and Power Generation] was instructed to consider the question of the personal responsibility of A. Dyakov, president of the RAO [Russia joint-stock company] Unified Power System of Russia, who had not taken any real measures to avoid the economic crisis in Maritime Kray. A meeting of the Mintopenergo collegium will be held in May, and will decide the question of censuring the top officials responsible for the Maritime Kray crisis.

Meanwhile, in the Mintopenergo a special task force is being set up which will deal with the problem of eliminating nonpayments between the coal and power generation sectors. Emergency measures taken by the ministry to extinguish the Maritime Kray fire have apparently cleared the clouds from over the head of Minister Yuriy Shafranik, whom the deputy prime minister threatened a month ago to hold personally responsible for the strike.

But the commission's most sensational verdict was that the documents in its possession be referred to the procuracy—to look into the question of bringing criminal charges against as yet unnamed officials for the economic crisis in Maritime Kray. According to unofficial information, the documents contain compromising materials on Dalenergo leaders and some members of the kray administration. However, right now it is impossible to predict the procuracy's decision since, in the opinion of those in the know, the search for a scapegoat in this situation will be affected to a considerable extent by current considerations.

The saddest part is that today, only a month after the solemn ceremony of issuing money to striking miners, Maritime Kray is again experiencing difficulties in paying wages.

Farkhutdinov New Sakhalin Governor

954F2251B Moscow IZVESTIYA in Russian
5 May 95 p 4

[Report by IZVESTIYA correspondent Boris Reznik: "Another Change of Sakhalin Authorities"]

[FBIS Translated Text] The event being heatedly discussed in Sakhalin recently has finally materialized:

Boris Yeltsin has accommodated oblast Governor Yevgeniy Krasnoyarov's resignation request and appointed to this job Igor Farkhutdinov, previously mayor of Yuzhno-Sakhalinsk.

This decision, even before its final approval, created serious discord in the deputy corps and oblast political movements. There are several reasons. First, the reaction to resignation of Yevgeniy Krasnoyarov, oblast head for two years, was ambiguous. Similar to his predecessor in this job, Professor Valentin Fedorov, he will be remembered here by theoretical treatises of the kind "How We Should Organize Russia, the Far East, Sakhalin, and the Kurils" or "The Concept of Stabilizing the Sociopolitical Situation in Sakhalin Oblast...." These quite vague and completely nonbinding discourses were widely published in oblast periodicals and as separate booklets. Alas, the governor never got around to actually implementing the ideas contained in them.

The third "Yeltsin" governor of Sakhalin is not noted for his predilection for theorizing. As city mayor he made a lot of improvements and contained the development of the fuel and power generation crisis.

Nevertheless, it was his candidacy that "split" the already disunited oblast дума deputies.

The news of the governor's appointment did not cool down the oblast дума. Moreover, it inflamed it even more. Most deputies, citing their constituents' will, are demanding that the head of oblast executive authority be elected rather than appointed.

Economic Issues

Bank Consortium Offers To Buy Soviet Debts

*MK1305094095 Moscow SEGODNYA in Russian
13 May 95 p 3*

[Report by Andrey Grigoryev: "Imperial, National Credit, Menatep, and Stolichnyy Savings Bank Will Get Former USSR Assets in Trust. Russian Banks Can Buy Out Part of the Debt to the London Club"]

[FBIS Translated Text] The Russian Federation Government, as represented by Vice Premier Oleg Davydov, has agreed with a concept proposed by a bank consortium for settling foreign debts and operating with Russian Federation assets. In the very near future the Finance Ministry and the Ministry of Foreign Economic Relations are to coordinate a mechanism for its implementation with the banks. It needs to be said that this group of banks has nothing to do with the consortium wishing to issue credits to the government with privatized enterprise stocks used as collateral. The association in question has existed for a long time and includes the

banks Imperial, Menatep, National Credit, and Stolichnyy Savings Bank.

The debt realization and settlement problem is tackled by the Government Commission on the State Foreign Debts and the Financial Assets of the Russian Federation. The above banks in effect act as government agents on realizing the debts of foreign states to Russia and repaying the indebtedness on obligations by the former USSR. By proposing the best possible option for settling particular debts, the banks receive a share of the difference between the prices they have offered and a certain normative established by the commission. Lax analysis of the debt market situation on the part of the commission allows consortium members to effect rather profitable operations. According to some reports, Imperial and National Credit have been the most active recently. Incidentally, it was their leaders, Oleg Boyko (chairman of the National Credit board) and Sergey Dubinin (deputy chairman of Imperial), who submitted proposals to the government in the name and on behalf of the consortium.

Pointing to a worsening situation for Russia's debt claims, the banks propose to cede them trust management of debt claims on deliveries by former [Soviet] foreign trade organizations (with delivery dates before 1 January 1991) to firms and organizations of the developing countries, which have not been servicing their debts for a long time. It is proposed to cede in trust part of the debt claims on Madagascar, Peru, Mozambique, and Iraq. The aggregate nominal value of this debt is approximately \$380 billion. In exchange for this the banks promise to pay the government an agreed-upon interest "whose absolute annualized sum could be on the order of \$15 million."

Furthermore, the consortium intends to participate actively in "settling the former USSR commercial debts to foreign creditor firms." Because in the recent period the Finance Ministry has been delaying the release of funds for debt repayment, the banks asked to provide, in a targeted way, an equivalent of \$50 million Indian clearing rupees on account of these sums.

The banks are also ready to buy part of the Russian Federation debts to London Club member creditors.

Government Response to Offer Viewed

*MK1205123495 Moscow SEGODNYA in Russian
12 May 95 p 2*

[Report by Dmitriy Volkov under the "Trust" rubric: "The Government Counters Consortium of Banks' Offer. Decision on Turning Over State-Owned Blocks of

Shares in Trust to Financiers Is Promised To Be Ready Today"]

[FBIS Translated Text] In accordance with the edict signed by Boris Yeltsin yesterday "On Measures Providing for Guaranteed Federal Budget Revenues From Privatization," the government has been asked to present, within two months, "a procedure for putting shares of federally-owned joint-stock companies in pledge, in the trust of corporate bodies." To all appearances, this point in the edict amounts to a reply to the much talked about proposal from the consortium of banks. In the words of presidential aide Aleksandr Livshits, "such proposals" also came from other commercial structures, something that, however, was not confirmed by Finance Minister Vladimir Pankov. In the meantime, in Mr. Livshits' words, it is "simply indecent" to sign an agreement right away with one of the aspirants.

Mr. Pankov declared yesterday that the government's decision on the consortium's proposal is supposed to be ready as early as today. The finance minister advised that he "supports it on the whole," but that the government is going to accept the plan proposed by the banks on putting state-owned blocks of shares in the consortium's trust "only if they accept the terms" put forward by the cabinet. Vladimir Pankov advised that a number of points in the proposed deal "raise serious objections" for him. For example, they set the period for extending a credit to the state on the pledge of state-owned blocks of shares at two years, but the government does not go along with this. The rate of credit should constitute the LIBOR (London Interbank Offered Rate) plus 3 percent, whereas cabinet experts think the rate is unacceptable. Finally, the pattern proposed by the banks for the distribution of funds which could accrue from a projected increase in the price of state-owned blocks of shares in the consortium's trust also raises objections among the government.

However, Mr. Pankov made it clearly understood that the above problems are currently seen by the government as a rationalization on turning down the consortium of banks' offer. "This is a problem of negotiations," he said. Whereas Mr. Pankov declares that no one else, in addition to the consortium, made a similar offer to the government, Mr. Livshits' statement perhaps indicates that some other financial structures are already holding consultations on this subject informally so far.

The encouraging results of fulfilling the state budget in the first quarter announced by Mr. Pankov yesterday — it was exceeded by 3 percent, or 1 trillion rubles, in revenues — give the cabinet a chance not to be in a hurry and to haggle longer for terms on which to

attract commercial banks' money to fund the deficit. Mr. Pankov stated that he counts on attracting additional budget revenues in the remaining months of this year at the same rate as in the first quarter. Here Mr. Pankov, however, indicated that the budget deficit which the government intends to evenly distribute during the first three quarters of the year will rise in the fourth quarter, because credits from international financial organizations were delayed. In these conditions, and taking account of such factors as seasonal peaks of budget outlays and the electoral campaign, the cabinet may prove, in the second half of the year, to be more amenable and prompt in attracting the funds of commercial banks.

Assessors Report Back on Banks' Credit-Worthiness

MM1205122095 Moscow ROSSIYSKAYA GAZETA in Russian 12 May 95 First Edition p 15

[Unattributed report: "We Have Gained Access to Credits" — from the 'Business in Russia' section]

[FBIS Translated Text] The Strategic Questions Group dealing with the implementation of projects for the development of financial establishments and support for enterprises financed by the Russian Federation Government out of loan funds from the IBRD [International Bank for Reconstruction and Development] and the EBRD [European Bank for Reconstruction and Development] has held a second session.

A press release on this published by the Ministry of Finance states that the session discussed questions of the accreditation of a number of Russian banks for participation in projects and the procedure for assessing and selecting additional banks, which can join the project at a later stage.

Accreditation was carried out on the basis of the results of an audit of the banks in accordance with international standards, based on data as of 1 January 1994 and 1 January 1995, as well as a rating assessment of the banks' main financial indicators conducted by the IBRD and the EBRD at the Russian side's request. As a result, the first six banks were selected: the Mosbiznesbank, the Promstroybank (St. Petersburg), the Sankt-Peterburg Bank, the Moscow Sberezhniy [Savings] Bank, the Tokobank, and the Uralpromstroybank.

Accreditation will enable this group of banks to obtain in the form of long-term credit part of the IBRD and EBRD loan funds earmarked for the purchase of banking automation facilities and the payment of consultation services from international experts in the sphere of improving the quality of banks' management and modernizing their organizational structures — which will

make it possible ultimately to expand the range and improve the quality of the services provided to clients.

At the same time the accredited banks adopt a commitment to amend their activity so that their financial indicators are in the closest accord with international standards. The fulfillment of these commitments will be monitored by a group of independent international experts in the sphere of finance selected by the Russian side at the suggestion of the IBRD and the EBRD.

Bank Official: Ruble Stabilization Short-Lived

MKI305062095 Moscow SEGODNYA in Russian 12 May 95 p 1

[Unattributed report: "The Higher Ruble Rate Has No Economic Grounds"]

[FBIS Translated Text] An increase in the nominal rate of the ruble long-term is economically unsubstantiated, said Aleksandr Potemkin, director of the Russian Federation Central Bank Foreign Operations Department. The Central Bank representative noted that in pursuing an exchange policy, one cannot ignore inflation. According to him, the stabilization of the ruble at Moscow Interbank Currency Exchange trading sessions in early May was conditioned by the Central Bank's tough monetary and credit policy. The long-term stabilization of the dollar rate is only possible if inflation falls sharply in the very near future, which is unlikely, he stressed.

Economic Crisis Assessed at 'Lowest Point'

MM1205135295 Moscow ROSSIYSKAYA GAZETA in Russian 12 May 95 First Edition p 1

[Report by Vyacheslav Goncharov: "It Looks As If We Are Settling Down. Economic Forecast for Second Quarter of the Year"]

[FBIS Translated Text] Today the results of economic activity not just for the quarter but even for the month have unexpectedly become the focus of attention in the unfolding election campaign. They are becoming a sort of card which the parties are taking it in turns to play against their opponents.

But when analyzing the prevailing economic situation you need to take the following into consideration. Whereas in previous years the fall in production was caused directly by the breakdown of cooperation ties in the collapsed Union and also by universal payment defaults, now it is sheer market forces which are coming to the fore — the uncompetitiveness of the goods being produced. In terms of both quality and price. The first to feel this were the sectors working directly for people — the food and light industry sectors. Whereas specialists are forecasting a more than threefold reduction in the

fall in production in industry as a whole compared to the same period last year (7 percent versus 25.9 percent) as early as the second quarter of 1995, and the signs of this "stabilization" can already be seen, according to the forecast, approximately 35 percent less consumer goods will be produced compared to the same period last year. Production of fabrics of all types will, according to the forecast, fall by approximately 17 percent, production of knitted goods by 22 percent, and production of footwear by 26 percent. Indeed, many people have already experienced this, finding only imported goods in the stores.

Unfortunately, the food industry is also unable to withstand competition. Major meat-packing plants are refusing the services of individual kolkhozes and sovkhoses and buying their meat abroad. There are two advantages — this is much cheaper, and the deliveries come in large consignments of several thousand tonnes and not in individual freight cars such as the Voronezh, Kursk, and Orel stock breeders are offering. So, we will be feeding on "Bush's drumsticks" for a long time to come as well as other overseas meat. Even if the product may have been packaged by a local meat-packing plant.

With the arrival of spring the demand for and, of course, the output of construction materials — especially cement, asbestos, and linoleum — has increased. It is expected that in the second quarter the production of the most important construction materials will stabilize at the level of the first quarter.

As is the case all over the civilized world, price, quality, and marketing are becoming the main factors in whether a commodity penetrates the market and in the increase or reduction of its production. As well as becoming companies' most secret of secrets. While our producers, as in the old days, "pass on" all their bad practices to a commodity's prime cost, and thence to the wholesale and retail prices, Western companies' boards of directors rack their brains for days over what is for them the most acute problem: How to lower the price of their output, if only by a dollar or cent, and win market share from their competitors.

Many of our economic managers who have become heads of joint-stock companies are slowly mastering the mathematics of the market. The Nizhny Novgorod automobile builders have managed to find their niche, putting into production their new 1.5 liter car for city use — the "Gazel," which is in greater and greater demand. By contract with "Gazprom," "Uralmash" has developed for the West Siberian gas industry the production of unique 3000 ZUK mobile drilling rigs, which have no equivalents anywhere in the world and do not have to be dismantled when being moved to new drilling

locations. The Vladimir Tractor Plant has begun to start up production of new general-purpose wheeled tractor-cultivators, for which there is a steady demand from private farmers. There are already quite a few similar examples of successful market penetration in all regions of Russia.

The second quarter will still not halt the fall in production. But there will not be the absolutely catastrophic fall which marked last year. It is not our really long drawn-out process of restructuring or even the restrictions on demand, which is the explanation cited by many people, which have now begun to condition this. Competitors are ever increasingly "turning on the red light" by forcing the sluggards out of the market.

But as far as the economic crisis is concerned, it seems that we have now reached the lowest point. The only way we can go now is up.

Government Approves 1995 Investment Program

MM1505090695 Moscow ROSSIYSKAYA GAZETA
in Russian 12 May 95 First Edition p 5

[Decree No. 415 of the Russian Federation Government dated Moscow, 25 April 1995, and signed by Russian Federation Government Chairman V. Chernomyrdin: "On the Federal Investment Program for 1995"]

[FBIS Translated Text] With a view to further developing the sphere of investment which is an important element in the economy's restructuring, the Russian Federation Government decrees:

1. The blueprint for investment policy and the areas of state investment, envisaged by the Federal Investment Program for 1995 produced by the Russian Federation Ministry of the Economy, the Russian Federation Ministry of Finance, and the Russian Federation Ministry of Construction with the involvement of interested federal organs of executive power in accordance with the figures of the federal budget, is approved.

2. The Russian Federation Ministry of Finance and the Russian Federation Ministry of the Economy must, jointly with the Russian Federation Ministry of Construction, step up the monitoring of the targeted use of money appropriated from the federal budget for state clients to implement investment projects, envisaged by the Federal Investment Program for 1995.

3. The Russian Federation Ministry of the Economy, the Russian Federation Ministry of Finance, and the Russian Federation Ministry of Construction jointly with federal organs of executive power, must elaborate in accordance with the figures of the federal budget and submit a draft federal investment program for 1996 to the Russian Federation Government within two weeks of the Federal

Assembly State Duma's adoption of the federal law on the 1996 federal budget.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Military-Strategic Enterprises Not To Be Privatized

LD1205202595 Moscow ITAR-TASS in English
1852 GMT 12 May 95

[By Mikhail Zakharov]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — "Time has come to tell our people that due care is taken of security and defence ability of Russia and there will be no sale of enterprises making military-strategic products," chairman of the Russian State Committee for Property Sergey Belyayev told a briefing here today. The briefing focused on a recent presidential decree "On Measures to Guarantee Transfer of Privatization Proceeds to Federal Budget."

The committee head noted, it is not accidental that the ban on pre-term sale of federal shares of joint stock societies producing strategic goods was included in the first paragraph of the decree.

In the words of Belyayev, the Federal Commission for Federal Budget Privatization Revenues will decide which enterprises are defence. The commission headed by First Vice-Premier Anatoliy Chubays includes ministers and representatives of Russian secret services.

The official dwelt on the second paragraph of the decree that cancels limits on pre-term sales of federal shares of privatized enterprises. Time has come to make them open for sale, said the committee chairman. The paragraph will enable the formation of stock market at the initial level and gradual sale of state packages of shares. The federal commission will help to make a list of enterprises liable for pre-term sale and elaborate methods to estimate their initial cost.

Edict on Privatization Revenue Discussed

MM1205113495 Moscow ROSSIYSKIYE VESTI
in Russian 12 May 95 p 1

[Article by Lyudmila Biryukova: "Privatization Revenue Could Increase"]

[FBIS Translated Text] Russian Federation President B.N. Yeltsin has signed the edict "On Measures To Ensure the Guaranteed Federal Budget Receipt of Revenue from Privatization." As is known, the government is being justly rebuked in society with selling off state property for a song. In the first quarter of this year the actual revenue from privatization amounted to barely one-tenth

of the planned revenue. The Cabinet of Ministers itself has defined the revenue receipt situation as a flop.

Meanwhile, the start of the second stage of privatization — the monetary stage — has been announced. How are the mistakes of the previous stage to be avoided and the treasury substantially replenished? The president's new edict provides the answer to these questions. It prohibits the early sale of packages of shares in privatized enterprises in federal ownership. The edict sets up a special commission under the government, which will define a list of enterprises of strategic importance, whose shares are not to be put onto the market ahead of schedule. The edict's idea of a surety and also of confidential management of shares is very important.

As is known, several banks have made proposals that packages of shares in enterprises in state ownership be transferred to their trust management. But the state is in no hurry to respond to these proposals. It believes that there is a need for competitive selection of those banks to whose confidential management such packages may be transferred. The edict provides for a document on regulating the transfer of packages to the confidential management of legal persons to be prepared within two months. The transfer will be made openly on a competitive basis.

The edict lays down new terms for the distribution of monetary revenue from the sale of shares in privatized enterprises. The federal budget will receive 55 percent, republic and kray budgets 10 percent, and local budgets 4 percent, while the privatized enterprises themselves, finally, will get 14 percent of the revenue. This applies only to enterprises in federal ownership, not in municipal or any other ownership. The question of the starting price of an enterprise to be privatized is very important. Mindful of the mistakes of past years, the edict provides that the starting price must be no lower than the one determined by the special federal commission. This will rule out the practice of selling state property for a song.

The edict's next provision concerns the sale of land beneath privatized enterprises. As is known, the original rate was set at 200 times the land tax. At that price no one bought up land beneath enterprises — it was too costly. For a plant or factory to buy the land on which the enterprise stood meant at once going bankrupt. In this connection the edict lays down a different price for the sale of land. It is equal to 10 times the rate of land tax. This figure was set after a careful study of the land market. If a plant cannot buy the plot on which it stands, the government can let it have this land on credit. This applies primarily to those enterprises in the military-industrial complex and other sectors to which the federal budget itself is in debt. The land will be

transferred to the corresponding enterprises on account of this debt.

The edict also contains instructions to the State Committee for the Management of State Property and the Federal Commission on Securities to draw up a mechanism making it possible to sell some of the shares of privatized enterprises in federal ownership on the international stock market.

This very important edict will give a new boost to the economic reform.

Energy Strategy To Be Based on Exports, Conservation

*MK1305112095 Moscow KOMMERSANT-DAILY
in Russian 13 May 95 p 2*

[Report by Nikolay Podlipskiy under the "Energy Strategy" rubric: "Russia Must Learn To Turn Off the Lights Within 15 Years"]

[FBIS Translated Text] Chiefs of the domestic fuel and energy sector never tire of demonstrating their commitment to long-term plans — the "Russian Energy Strategy" has been drawn up under the guidance of the Fuel and Energy Ministry for a period up to the year 2010 (the government on the whole does not venture to look so far ahead, limiting itself only to three-year planning). As KOMMERSANT-DAILY has already reported, the presidential edict approving the concept emerged in the middle of this week.

It should be noted that documents similar to Boris Yeltsin's edict "On the Main Directions of Energy Policy and the Restructuring of the Fuel and Energy Sector of the Russian Federation for the Period up to the Year 2010" come out in droves. Containing nearly exclusively general phrasing, such as "to achieve a sustainable supply of energy resources for the country," it is designed to achieve one single objective — to emphasize the importance of the two-year work by a large collective of authors.

It follows from the text of the energy concept proper that over the next 15 years the development of the domestic fuel and energy sector will be based on two key elements. First is the so-called "gas pause" — a stepped-up increase in natural gas exports, which will make it possible to restructure the rest of the fuel industry. By the most optimistic estimates (there are a total of three forecasts in the concept), the export of energy resources will go up 35-40 percent and gas exports will soar 65-70 percent against 1993. Of course, if these forecasts are to come true, the drafters of the document think it necessary to make massive investment in fields beyond the Polar Circle. According to the

maximum scenario, the first stage of the Yamal gas producing area must be put into operation as early as the year 2000. This means that starting this year it is necessary to launch "the largest investment program."

The second element of the energy strategy is emphasis on energy-saving measures called by the authors themselves "the top priority of energy policy." By the authors' estimates, even modest results of an energy-saving policy will enable the industry to save 20 million tonnes of fuel equivalent in 1995. By the year 2000, however, the results will be really fantastic — from 300 million (according to the most likely scenario) to 470 million tonnes (the optimistic scenario). In other words, the energy-saving capacity is estimated by Fuel and Energy Ministry specialists at 40-45 percent of current fuel consumption. Such a pace of lowering the economy's energy-intensity (by up to 5 percent a year) was recorded in postwar Japan, but in Russia this will evidently be very hard to achieve — it is very difficult even to estimate the volume of investment required for a virtually complete replacement of technological equipment, let alone really to get it. Energy consumption can be fairly considerably reduced, however, the concept says, by taking "organizational-technical measures" — such as pinning up the slogan "turn off the lights when you go." The concept forecasts impressive results: up to 80 percent of overall savings in 1995 and up to 25 percent in the year 2010.

Fuel, Energy Output Decreases Jan-Apr 1995

LD1505110495

[FBIS Editorial Report] Moscow ITAR-TASS World Service in Russian at 0922 GMT on 15 May transmits a report on fuel and energy output in the first four months of this year. Output declined by an average of five percent on the same period of last year, the ITAR-TASS news agency was told at the State Statistics Committee.

Electricity generation was down five percent to 320 million kilowatt-hours, extraction of oil was down three percent to 102 million tonnes, gas down two percent to 212 billion cubic meters, and coal down nine percent to 91.4 million tonnes. Primary refining of crude oil was down six percent to 60.7 million tonnes, the agency said.

Moscow To Introduce Tariffs on Some Food Imports

LD1305165395 Moscow INTERFAX in English
1525 GMT 13 May 95

[FBIS Transcribed Text] MOSCOW, May 13 (Interfax) — From July 1, 1995 Russia will introduce import customs tariffs for several kinds of food products. In particular, tariffs for import of milk products will be

15%, for butter — 20%, for vegetables — 15%, and for sugar — 25%.

Russia's First Vice Premier Oleg Soskovets reported about this at a conference of leaders of executive power bodies of Russia's regions and of the Russian and Moscow governments. Soskovets explained the need for this protectionist measures by protection of domestic goods producers.

Addressing the conference Moscow Mayor Yury Luzhkov did not agree to Soskovets' arguments and declared that increase of customs tariffs "can lead only to impoverishment of the population" because "goods producers themselves do not receive this money as this money is dissolved in the state budget and this leads to the growth of prices for goods."

Luzhkov pointed out that Moscow procures "substantially less" import goods compared with two previous years "but it cannot do without them now."

The conference approved proposals of the Inter-Regional Association for Economic Interaction of the Federation constituent members of the Central Russia (Tsentralnaya Rossiya) aimed at improving the capital's supply with agricultural goods by the country's central regions.

Among these proposals are the proposal to invest Moscow's assets in the regions to develop production there, allocation of purpose-oriented donations, granting credits and conclusion of long-term (for 5 years) agreements on supply of agricultural goods. At the conference representatives of the regions reassured that for their part, they can guarantee quality of their goods, timely supplies and increase of supplies.

Soskovets said that "this initiative should positively influence formation of a modern domestic market of agricultural products and food products in the Moscow region."

Center To Supervise Use of Western Credits Planned

MK1305095095 Moscow SEGODNYA in Russian
13 May 95 p 1

[Unattributed report: "A Project Financing Center Will Be Created in the Russian Federation"]

[FBIS Translated Text] In the near future, Russia is to set up a Federal Center for Project Financing, which will supervise the use of funds allocated to Moscow by international financial agencies. As Economy Minister Yevgeniy Yasin said, the need for setting up this body was prompted by the "unsatisfactory situation regarding the use of Western credit resources." According to the

minister, "until now, allocated funds have been used ineffectively." In addition, some of the credits that have

been already granted by international financial agencies have not yet been called for at all.

International Affairs

Commentary, Reportage on Clinton's Ukraine Visit

Kiev: Visit Exceeded 'Widest Hopes'

LD1205141795 Moscow ITAR-TASS in English
1336 GMT 12 May 95

[By Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] KIEV, May 12 (Itar-Tass) — The results of a two-day state visit of U.S. President Bill Clinton to Ukraine exceeded the widest hopes of the Ukrainian leadership. In the opinion of experts, it laid down a solid basis for further development of bilateral relations. The more so, the U.S. leader said he is ready to use all the American resources to ensure international support to the Ukrainian radical reforms.

The Ukrainian leaders praised Clinton's pronouncement on financial and humanitarian assistance to Ukraine, which means billions worth of credits whose issuance will be initiated by the United States at the Halifax meeting of the G-7. The United States itself will allocate over one billion dollars to Ukraine for political and economic reforms, and 350 million dollars for elimination of nuclear weapons.

Clinton repeatedly said during the negotiations that the U.S.-Ukrainian partnership should constantly develop and consolidate. Almost all these pronouncements of the U.S. President were included in bilateral documents. A joint statement signed by Leonid Kuchma and Bill Clinton notes, in particular, that the United States gives a priority to Ukraine which has taken the path of market economy and integration with the world economic community.

A package of economic documents signed by the sides includes an agreement on studies of problems resultant from Chernobyl-caused diseases, cooperation in civil aviation, the intention of commercial uses of Ukrainian rocket-boosters, guarantees of the U.S. Export-Import Bank and the Ukrainian government and insurance of export credits.

The bilateral agreement on an international research center for nuclear safety and environmental protection is also very important for Ukraine.

Kuchma Comments on Talks With Clinton

LD1205155695 Moscow INTERFAX in English
1431 GMT 12 May 95

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov and Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The U.S. President Bill Clinton has ended his official visit to Ukraine.

Earlier President Kuchma and President Clinton signed a joint statement to sum up another phase of bilateral cooperation and formulate guidelines for the future.

President Clinton noted the importance of continuing the Ukrainian economic reform program. He voiced US support for the Ukrainian economic reforms and praised President Kuchma's bold role in that undertaking.

Both presidents pointed to the importance of Ukraine's \$2.7 billion obligations to international financial organizations.

President Clinton confirmed the United States' promise to extend \$250 million to Ukraine to finance its critical imports in 1995.

President Kuchma recalled the need for urgent technical assistance in evaluating Ukrainian enterprises to be privatized in the oil, gas and chemical industries. The United States firmly supported Ukraine's admission in the World Trade Organization.

Both presidents noted the role of wider opportunities for private businesses, both Ukrainian and American, in developing key Ukrainian industries and programs, in the first place, agriculture, energy, air and space enterprises, telecommunications, defence conversion and health protection.

A Ukrainian cosmonaut will take part in a space mission aboard NASA's STS-87 space shuttle to be launched in October 1997.

The Ukrainian and American presidents confirmed the ever-lasting importance of achieving the goals of the tri-lateral statement on nuclear disarmament the Ukrainian, U.S. and Russian presidents signed in January 1994.

They also noted the considerable progress in implementing the nuclear disarmament assistance program under the Nunn-Lugar amendment. President Clinton declared that an additional \$27 million would be extended to Ukraine under that program.

The United States will also give Ukraine \$950,000 next year to expand its participation in the international military training program.

Kuchma and Clinton discussed the outlook for NATO's expansion and further cooperation between Ukraine and NATO on a wider basis, including the Partnership for Peace program and the North Atlantic Cooperation Council.

The Ukrainian and US Presidents confirmed Ukraine's active participation in Partnership for Peace. President Clinton declared that the United States would issue more than \$1 million to support Ukraine's participation in exercises under that program in 1995. He also told President Kuchma that the United States was going to spend another \$10 million on Ukraine's participation in Partnership for Peace next year.

President Clinton said that the process of NATO's expansion would be held in such a way so as to increase the stability and security of all European countries and he voiced his understanding of Ukraine's position on that issue.

President Kuchma and President Clinton agreed that domestic issues, such as the Crimean one, must be settled by political means on the basis of the supremacy of the law, respect for human rights and OSCE principles and in the context of the territorial integrity of states.

Speaking at a reception in President Clinton's honor afterwards, President Kuchma said: "We frankly discussed a number of problems and achieved full understanding". In turn President Clinton described the meetings as very good.

"One can say with certainty that Kiev's mood is the mood of peace, tolerance and respect for the history and culture of each other", President Kuchma said. He believes that the United States may see Ukraine as a "reliable partner" in all matters of European and world security.

President Clinton said that Ukrainian leadership had challenged his country with its determination to reform the country and that the United States would reply with firm support for Ukrainian reform.

President Clinton spoke highly of the decision to prolong indefinitely the nuclear arms non-proliferation treaty, which he described as a key goal of US foreign policy. In particular he noted the role of Ukraine, which

was in the vanguard of countries seeking that goal. He said that the Ukrainian people's decision to remove nuclear arms from their country was a considerable contribution to easing the nuclear threat.

Kiev, U.S. To Honor U.S.-Soviet Accord

*LD1205180895 Kiev UNIAN in Ukrainian
1530 GMT 12 May 95*

[FBIS Translated Text] Kiev [no date as received] — During U.S. President Bill Clinton's visit to Kiev, the two sides exchanged notes on Ukraine's legal succession to bilateral treaties and other international agreements signed between the United States and the Soviet Union, the Ukrainian Ministry of Foreign Affairs press center told UNIAN on 12 May.

As the Soviet Union had ceased to exist as a subject of international law, and Ukraine became one of its legal successors, the sides confirmed their commitment to honor 38 U.S.-Soviet bilateral treaties in U.S.-Ukrainian relations.

Foreign Minister Hails Visit

*LD1205202395 Kiev UT-1 Television Network
in Ukrainian 1800 GMT 12 May 95*

[FBIS Translated Excerpt] U.S. President Bill Clinton and his wife Hillary Clinton admired St. Andrew's church — a masterpiece of architecture located in the street that bears the same name. [passage omitted]

The U.S. President's airliner has just began taxiing out to the take-off runway as journalists surrounded Ukraine's Foreign Minister Hennadiy Udovenko and Yuriy Shcherbak, Ukraine's ambassador extraordinary and plenipotentiary to the United States. Naturally, they were keen to know how successful the talks and the visit by the U.S. President, as a whole, were.

[Begin Udovenko recording] We regard it as an important event that will influence our state's future relations with other states. The visit by President Clinton is evidence of the recognition of Ukraine's important role in contemporary international relations. The visit confirmed the fact that we — Ukraine and the United States — have common interests as regards safeguarding peace and international security.

You have already familiarized yourself with the joint declaration signed by the presidents, and I should say that [word indistinct] we did large-scale work to prepare the statement and have it signed. The decision was taken at the very last moment, during the presidents' tete-a-tete meeting.

The statement deals with two sets of issues: On the current state of Ukrainian-U.S. relations and economic

cooperation, and on European security and defense. In other words, the names of the two sets of issues alone testify to the high diplomatic level of the negotiations between the two leaders. [end recording] [passage omitted]

Horbulin Comments on Kuchma-Clinton Talks

*LD1205202195 Kiev UT-1 Television Network
in Ukrainian 1800 GMT 12 May 95*

[FBIS Translated Text] Volodymyr Horbulin, the Ukrainian president's national security adviser and chairman of the National Security Council held a news conference today on the results of the U.S. President's visit to Ukraine. He was closely involved in the preparations for the visit and the two presidents' negotiations in Kiev, which ended in a joint statement, the first ever document of this kind to be signed by a U.S. head of state. Volodymyr Horbulin described this fact as evidence of the Ukrainian leader's considerable authority on the international scene.

The two sides discussed the possibility of setting up a special U.S.-Ukrainian committee to provide constant consultative cooperation between the two countries. Such a committee may be established in the near future.

Much attention was paid during the talks to our country's relationship with NATO. Bill Clinton spoke highly of Ukraine's constructive attitude to the North Atlantic alliance, aimed at establishing close contact without full membership in the organization.

Ukraine's relations with Russia was another subject of serious discussion. The U.S. President emphasized that without a democratic Ukraine there could be no democratic Russia, and vice versa. Horbulin described this statement as one of geopolitical importance to Ukraine. America has a stake in good-neighborly relations between Ukraine and Russia as a major factor affecting stability in Europe, Horbulin said. In conclusion he said that the main result of the two presidents' talks was the common realization of Ukraine's growing importance in the world.

Visit Deemed Kuchma 'Steppingstone'

*WS1505091495 Kiev INTELNEWS in English
2219 GMT 14 May 95*

["Special to INTELNEWS" by Olha Ansimova: "Clinton Visit Steppingstone for Kuchma, Ukraine"]

[FBIS Transcribed Text] Kiev, May 14 — The first state visit of a U.S. President to Ukraine and the bilateral documents signed during the visit confirmed Washington intends to support Kiev's course of reforms

and to promote Ukraine's political role in Europe's security system.

The latter is apparently connected not only to Ukraine's foreign-policy but to prevent Kiev from possibly joining the military and political bloc of Commonwealth of Independent States. It's also important since the president and Parliament's leftist majority are in opposition.

The main document signed in Kiev, the joint declaration of the U.S. and Ukraine presidents, the support by Washington in formation of Ukraine market relations is due to the several factors.

Firstly, to the democratization processes started in Ukraine which, first of all, were reflected in conducting the democratic elections. Secondly, to Kiev's decision to give up nuclear status and join the Nuclear Non-Proliferation Treaty. And thirdly, the United States emphasizes Ukraine's role in passing the decision on permanent treaty prolongation.

One more moment helped President Leonid Kuchma strengthen his internal political position. As journalists were told at a press conference in the U.S. Embassy on the eve of Clinton's visit, the American president intended to meet the Ukrainian Parliament leadership during his stay in Kiev. This news was widely spread in the Ukrainian press. However, Clinton did not meet anyone from Parliament. Its not clear whether this was due to Kuchma's request or was a result of analysis by the American party of the internal political situation in Ukraine.

Nevertheless, the move allowed Kuchma's political weight to be felt by the electorate over that of Speaker Oleksandr Moroz. This, in turn, can affect results of an opinion poll on the president and Parliament in case Kuchma decides to conduct one.

But the issues of foreign political support to Kiev's interests are much more complicated. The first of these interests is connected with the problems in relations with Russia. It is also known that Kuchma counted on Washington's help in this matter. At the same press conference, journalists were told: "The United States is willing to undertake a role of mediator in the process of Black Sea Fleet division."

However, after closed-door negotiations in Kiev, Ukrainian Foreign Affairs Minister Hennadiy Udoenko said, "the American party intends to be more oriented towards bilateral relations." The events are apparently connected to Moscow's unwillingness to allow for an arbitrator and to the United State's interests in forcing Moscow to give up building a nuclear power plant in Iran. (Russian President Boris Yeltsin recently promised to further review this issue with a special

bilateral commission.) One should recall Kuchma's words about the essence of the problem of signing a broad-scaled agreement with Russia: It's not in the fleet division but "in the problem of territories."

Therefore, one can forecast Russia dragging out a final solution on fleet division until the Crimean political-legislative situation, in particular that of Sevastopol's status, is solved. In other words, it is very important for Ukraine in this situation to finally curb the appearance of separatism in the peninsula.

The second of Kiev's foreign political interests is connected to integration with the world community as well as widening cooperation with NATO.

In his public speeches in Kiev, Clinton stressed increasing Ukraine's role in the Partnership for Peace. According to a well-informed source, "Ukraine's special relations with NATO" was privately discussed. The talk was about putting Ukrainian airdromes at NATO air forces' disposal in case they were needed to settle European conflicts. Ukraine can firmly establish its geo-political position in the common-European security system.

As far as further economic support by United States and the development of trade relations between both countries are concerned, a number of bilateral documents were signed. They included an agreement on guarantees between the U.S. Exports-Imports Bank and the Ukrainian government and an agreement on insurance of export credits. Apart from other things, a special conference on attracting American private investments to the Ukrainian economy is planned in Chicago on July 11. U.S. Private Investments Corporation (OPIC) will sponsor the event. OPIC President Ruth Harkin accompanied Clinton during his visit.

The other agreements signed in Kiev provide for U.S.-supported formation of an international research center in Ukraine for elimination of the Chernobyl disaster, in particular widespread diseases of the thyroid gland. Increases in passenger and charter air transportation between the two countries is also planned.

Kuchma Speaks 'Highly' of U.S. Summit

LD1305165295 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 13 May 95

[FBIS Translated Text] On 13 May, a conference chaired by Ukrainian President Leonid Kuchma; and attended by deputy prime ministers; leaders of the National Security Council of Ukraine, the National Bank of Ukraine, and a number of ministries and departments; people's deputies; and experts discussed ways of overcoming the crisis of payments.

The conference pointed out that the financial situation has been significantly stabilized and conditions created for the development of the national economy. However, no real progress in structural reorganization has been achieved. In experts' opinion, one of the main reasons behind this is the crisis of payments.

The conference discussed the situation that had taken shape in connection with this in the country's economy and in separate regions and mapped out trends of work on adjusting the system of payments.

The president of Ukraine and the leaders of ministries spoke highly of the work done in connection with the state visit by U.S. President Bill Clinton to Ukraine and of the outcome of the Ukrainian-U.S. summit.

Objection to Romania's Admission to NATO

LD1305095395 Kiev UNIAN in Ukrainian 0930 GMT 13 May 95

[FBIS Translated Text] Kiev [no date as received] — During talks with the U.S. delegation, the Ukrainian side raised an objection to the possibility of Romania's entry into NATO. Volodymyr Horbulin, the secretary of the National Security Council and adviser to the president of Ukraine on national security issues, told a news conference on 12 May.

He pointed out that Romania has not relinquished territorial claims against Ukraine, which contravenes universally recognized international norms and principles.

Ukraine explained that Romania, in particular, lays claim to north Bukovina, south Bessarabiya, and the island of Zmeinyy, annexed from it in the past.

Romania has stepped up diplomatic efforts to secure admission to NATO.

Gorbulin on Kuchma Attending G7 Summit; Chernobyl

LD1205200495 Moscow INTERFAX in English 1818 GMT 12 May 95

[FBIS Transcribed Text] Kiev, May 12 (INTERFAX-UKRAINE) — Ukraine insisted that President Leonid Kuchma take part in the G-7 summit in Halifax during talks between the Ukrainian and U.S. leaders in Kiev on May 11. Secretary of the National Security Council under the Ukrainian president Vladimir Gorbulin told a briefing in Kiev today.

He said that "Ukraine still believes that the Ukrainian president could inform the G-7 countries on the situation in Ukraine at the summit" in regard to problems concerning the Chernobyl nuclear plant and economic

difficulties. "Ukraine will never manage to resolve the Chernobyl problem alone," Gorbulin added.

According to Gorbulin, Kuchma tried to explain to U.S. President Bill Clinton that the Chernobyl issue was a complex problem which required settling problems of safety, social security for the nuclear plant's personnel and compensation for energy losses. "We have not yet received an affirmative answer. We have yet to work on it," he added.

Gorbulin said that Ukraine was now working on a plan for switching off the Chernobyl nuclear plant by May 15. A technical schedule will be worked out for this purpose.

Gorbulin said that a group of foreign experts would come to Kiev next week to discuss the problem.

Udoenko Comments on NATO Relations, Russia

*LD1205204395 Moscow INTERFAX in English
1814 GMT 12 May 95*

[FBIS Transcribed Text] Kiev, May 12 (INTERFAX-UKRAINE) — Ukrainian Foreign Minister Hennadiy Udoenko believes that Ukraine "should seek acceptable forms of relations with NATO, acceptable for both NATO and Russia."

"Ukraine is interested in better NATO-Russia relations," he said in Kiev Friday [12 May] answering an Interfax-Ukraine question.

"Until Russia and NATO normalize relations, it will be difficult for Ukraine to shape its policy in this respect," he added.

According to Udoenko, Ukraine intended to inform Russia of the results of talks with U.S. President Bill Clinton. "We would like to emphasize that the talks will promote better Ukrainian-Russian relations," he said. In particular, Ukraine proposed a mechanism of trilateral consultations between itself, Russia and the U.S. "on some issues."

Donuzlav Base Features in Naval Commanders' Talks

*LD1205154195 Moscow INTERFAX in English
1252 GMT 12 May 95*

[FBIS Transcribed Text] SEVASTOPOL, May 12 (Interfax) — The Russian Naval Commander-in-Chief, Feliks Gromov is having talks with the commander of the Donuzlav naval base in the Crimea. Donuzlav is situated 150 kilometers northwest of Sevastopol.

Donuzlav is the Black Sea Fleet's second biggest base. Of all the bases in Crimea Donuzlav is the best equipped

one. It was built in 1975 and the garrison totals about 25 thousand.

According to unofficial statements by Russian delegates at the negotiations with Ukraine on the future of the Black Sea Fleet Moscow offers Ukraine to take Donuzlav in exchange for Sevastopol.

Donuzlav naval base commander Vice-Admiral Aleksandr Tsubin has told Interfax he is categorically against the hand-over of Donuzlav to Ukraine.

"Even if we are reduced to the ranks, we shall not go. We simply have no place to go to", Vice-Admiral Tsubin has said.

He says that in private conversations sailors describe the hand-over of Donuzlav to Ukraine, if it does happen, as treachery.

"If the base goes over to Ukraine, the command would find it very difficult to explain the personnel the reasons for such a decision. I cannot rule out that the situation in Donuzlav would worsen to the extreme", Vice-Admiral Tsubin has said.

Taking part in the negotiations is the commander of the Black Sea Fleet Admiral Eduard Baltin.

Shpek, FRG Official Sign Cooperation Document

*LD1105194995 Kiev UNIAN in Ukrainian
1730 GMT 11 May 95*

[FBIS Translated Text] Kiev [no date as received] — Ukraine's Minister of Economy Roman Shpek, and Dieter von Wuerzen, FRG state secretary of the Federal Ministry of Economic Affairs have signed a joint statement of the intergovernmental council for economic cooperation. A common opinion was expressed to the effect that the existing restrictions on bilateral commodity exchange will be reduced at the expense of expanding Ukraine's export potentials.

According to the Ministry of Economy, the volume of trade turnover between Germany and Ukraine grew by 20 percent in 1994 compared with 1993.

It was emphasized that clothing and textile industries, production of optical apparatus and agricultural machinery could become priority trends in Ukrainian-German cooperation.

According to Roman Shpek, "This meeting has become another step forward within the framework of the preparations for the Ukrainian president's visit to the FRG and the establishment of mutually advantageous economic cooperation".

UK's Exchequer Chancellor Clarke Arrives*LD1405154195 Kiev Radio Ukraine World Service
in Ukrainian 1500 GMT 14 May 95*

[FBIS Translated Text] British Chancellor of the Exchequer Kenneth Clarke began an official four-day visit to Ukraine today. This is the second appearance of a high-ranking Western official in Ukraine in the past few days, after U.S. President Bill Clinton's visit for the Victory Day celebrations.

Clarke's talks with the Ukrainian leadership will focus on the granting of aid to Ukraine by the European Union in the form of a possible credit of 185 million pounds.

World Bank Grants \$250-Million Rehabilitation Loan*LD1105204795 Kiev UNIAR in Ukrainian
1830 GMT 11 May 95*

[FBIS Translated Text] The World Bank leadership has approved a decision to grant Ukraine the second tranche of the rehabilitation loan to the value of \$250 million.

The World Bank took a decision to grant Ukraine the rehabilitation loan (1st and 2d tranches of \$250 million each) as far back as December 1994. The current, second tranche, is granted to the Ukrainian Government to finance critical imports, maintain the balance of payments, and cover the budget deficit. World Bank's consultant Oleksandr Kaliberda told a "round table" at the World Bank mission in Ukraine.

The World Bank is ready to continue expanding the program of aid to Ukraine. At present, 19 projects that can be financed by the World Bank are being formulated and discussed by the government. Eleven projects are at the stage of preparation.

The projects that are being implemented or reached the final stage of their preparation include, in particular, an institutional development project (overall cost of the project is \$44 million of which \$27 million are granted to Ukraine by the World Bank), a project for the rehabilitation of hydro-electric power stations (overall cost of the project is \$190 million of which \$115 million are granted by the World Bank), etc.

If the introduction of an effective program for economic reforms and structural reorganization is continued in Ukraine and if the institutional obstacles are removed, in the next few years the World Bank will be able to extend financial aid to Ukraine to the value of \$1 billion annually, the "round table" has been told.

National Affairs**Analyst on Country's Tasks in Talks With Clinton***AU1205113695 Kiev MOLOD UKRAYINY
in Ukrainian 11 May 95 pp 1, 2*

[Commentary by Volodymyr Oliynyk: "Kuchma Will Convince Clinton"]

[FBIS Translated Text] **The Ukrainian political and governmental establishment is undoubtedly in a state of expectation: U.S. President Bill Clinton is arriving in Kiev. The negotiations between the Ukrainian and U.S. presidents will focus on problems of attracting American capital into Ukraine and, mainly, on issues of Ukraine's external policy and external security from the point of view of its mutual relations with the Russian Federation.**

It is anybody's guess what Leonid Kuchma and Bill Clinton will talk about. Anyway, it will take some time before the details become known. However, even now, as a representative of the U.S. State Department said on the eve [of the visit], American capital is flowing into Ukraine very reluctantly. There are many reasons for that, and it is precisely the meeting between the two presidents that must promote the creation of Ukraine's favorable investment image. However, even if Leonid succeeds in convincing Bill, it is doubtful that large amounts of U.S. capital will rush to Ukraine. As Oleksandr Pashkaver, a well-known Ukrainian economist and chairman of the Association of Ukraine's Expert and Consulting Firms, aptly put it, if you want, you may find the answer to the question of why the large Western and overseas capital is in no hurry to flow to Ukraine primarily in the problem of legal protection of foreign investments and also in the high risk and unpredictability of the development of the legislative foundation with regard to investments in Ukraine, where pro-communist people's deputies prevail in the parliament. Besides, even if the two presidents agree on a breakthrough in the investments issue, a private American businessman will think more than twice before starting a business in Ukraine. The thing is that, in Ukraine, there is hardly anyone with whom large Western capital could work. Oleksandr Pashkaver gave the following arguments. Western businessmen, having learned their sad lesson of the irresponsible attitude on the part of Ukrainian state structures, no longer want to deal with state enterprises or state structures, with the exception of those cases when the state itself reinforces the investment project with its guarantees. However, there are very few such projects. As for large private capital, in Ukraine, unlike in Russia, it prefers not to be too "conspicuous," and it is simply impossible to find it and start a business. If Hryhoriy Omelchenko's

[head of the Supreme Council Commission for Combating Corruption and Organized Crime] parliamentary commission looks for multimillionaires with the help of Ukraine's Security Service and investigatory bodies, how can Americans or West Germans even dream of finding them.... The poor knowledge that our Western partners have about Ukraine's possibilities also has a considerable effect upon the problems of foreign capital investments in the Ukrainian economy. In this context, the meeting between the two presidents will have a positive result. No matter what, by now, despite the parliamentary moratorium, more than 11,000 small private enterprises have been privatized and function in Ukraine, and 7 percent of land is in private ownership. Is this not an object for investments? It turns out that Ukraine, too, has something for purchase-sale, as well as products for the world market. Add to this the most powerful scientific and technological potential, for example, in the sphere of space technologies.

No simpler is the problem of negotiations with Clinton on the issues of Ukraine's external policy and security, especially in the light of its mutual relations with Russia. As is known, Ukraine, which is disarming itself by transferring its nuclear warheads to Russia, is, on the one hand, a very reliable and obliging partner, but on the other hand, it will be difficult to explain to Clinton the colossal debt for the energy sources and accuse our northern neighbor of putting economic and political pressure upon us. Still, whether Kiev, Washington, and Moscow like it or not, relations among all of these countries will develop precisely within such a triangle. One could only wish that it does not become a Bermuda Triangle in which all of Ukraine's external political attempts to extricate itself from the "big brother's" embrace, both economic and military-political, would fail.

After all, Kiev's advantage is in that Leonid Kuchma will be able to offer his own interpretation of the situation in the so-called post-Soviet Commonwealth of Independent States, especially the situation in Ukraine against the backdrop of problems with the separatist Crimea and pro-communist parliament. Anyway, during his personal meeting with the head of Ukraine's Socialist Party [Oleksandr Moroz], who is also the speaker of the Ukrainian parliament, Bill Clinton will be able to assess on his own the problems of his Ukrainian colleague, at least proceeding from the fact that the U.S. Congress is no longer controlled by the Democrats, but by the Republicans.

In the opinion of political correspondents, it is very important for Leonid Kuchma to convince Bill Clinton to use precisely democratic values in dealing with Ukraine, or to treat it as a country that has resolutely

embarked upon the road toward civilization. This is not so simple, at least because Russia, which has already plunged into the maelstrom of the election struggle, is ready to counteract the slogans of its national patriots with its tough position regarding the West, the United States, and also the CIS countries — primarily Ukraine. Thus, it is essential for Ukraine to reach a mutual understanding with the United States in the global geopolitical aspect proceeding from strategic long-term considerations rather than from tactical orientations.

Ukraine, Crimea Meet in Roundtable Discussion

LD1405082095 Moscow ITAR-TASS in English
0626 GMT 14 May 95

[By Konstantin Pribytkov]

[FBIS Transcribed Text] GENEVA May 14 (Itar-Tass) — A roundtable discussion of separation of powers of Ukrainian and Crimean authorities was held on May 11-13 in Locarno.

The meeting, which was attended by delegates of Ukraine and its Crimean autonomy, was proposed by Switzerland and sponsored by the Organisation for Security and Cooperation in Europe [OSCE].

The representatives of Kiev and Simferopol found the discussion useful. Itar-Tass was told by Ukrainian first Deputy Foreign Minister Boris Tarasyuk and Crimean parliament chairman Sergey Tsekov.

"No one had doubts about the value of the roundtable discussion, for it provided an opportunity for people with different views to gather, listen and better understand each other," Tarasyuk said.

Tsekov said his impression was that "options are in principle available for the search of a compromise which could satisfy both the Crimea and Ukraine".

The Crimean delegation offered two compromise options — re-adoption of the 1992 law on separation of powers between Ukraine and Crimea or of the Crimean constitution of September 25, 1992, with the law's provisions added to it.

Tsekov thinks the OSCE's experts may accept one of the alternatives and come up with their recommendations at the start of the next week.

Roundtable Meeting on Crimea Ends

LD1405191995 Kiev UT-1 Television Network
in Ukrainian 1800 GMT 14 May 95

[FBIS Translated Text] The constitutional future of Crimea is being decided in the Swiss town of Locarno,

where a roundtable meeting sponsored by the Organization for Security and Cooperation in Europe [OSCE] ended today. Official sources reveal that the delegation from Simferopol intends to return control over the activities of the Crimean government to the Crimean parliament. At the moment, the government is controlled by the Ukrainian Cabinet of Ministers. Twenty-two parliament deputies and other senior officials from Simferopol had come to Switzerland as private visitors rather than official representatives.

Prosecutor: Meshkov's Case 'Political'

*LD1205144295 Kiev UNIAN in Ukrainian
1140 GMT 12 May 95*

[FBIS Translated Text] Kherson — "The investigation into the case of the ex-president of the Autonomous Republic of Crimea, Yuriy Meshkov, will not be completed within the two months' time envisaged by the law", the Kherson Region prosecutor, Volodymyr Miroshnychenko, who is carrying out the investigation, told UNIAN.

The criminal proceedings were instituted by the General Prosecutor's Office of Ukraine on 4th April 1995 in connection with the Crimean ex-president signing the decrees that do not comply with Ukraine's legislation and that are aimed at destabilizing the situation in Crimea.

Yuriy Meshkov was charged on the strength of article 166, part 2, of the Criminal Code of Ukraine, which deals with the abuse of power accompanied by violence, the use of arms or by actions that offend the dignity of an individual. The above article envisages imprisonment for a term of two to eight years.

At the end of April, the Prosecutor General's Office passed the case to the prosecutor's office of Kherson Region for it to continue the investigation.

According to Volodymyr Miroshnychenko, "there are no legal complications in the course of the investigation". The main problem is that employees of the investigatory bodies cannot even meet Yuriy Meshkov and the investigation will therefore be extended for six months.

At the same time, Volodymyr Miroshnychenko said that "this case is more of a political rather than criminal nature and, therefore, no one is going to aggravate the situation, to force the events or resort to any radical measures".

Tsekov on Crimeans' Right To Self-Determination

*LD1205144595 Moscow INTERFAX in English
1246 GMT 12 May 95*

[FBIS Transcribed Text] SIMFEROPOL, May 12 (Interfax) — From the standpoint of Ukrainian legislation and international law, ethnic enclaves have the right to self-determination within Ukraine and the right to form their own bodies of power - both representative and executive, Crimean parliamentary speaker Sergey Tsekov has said. He was speaking before leaving for Locarno, Switzerland with a Crimean delegation for a round-table discussion on the relationship between central Ukrainian authorities and Crimean political structures.

Tsekov said the meeting was not an official one. However, he noted the importance of briefing OSCE officials on the situation in Crimea.

He said the Ukrainian authorities had violated Ukrainian laws and constitution and international law as they adopted the resolutions of March 17 and 31.

The Ukrainian parliament on March 17 abolished the Crimean constitution and presidency.

On March 31 Ukrainian President Leonid Kuchma made the Crimean government directly subordinate to the Ukrainian Cabinet.

"As a matter of fact the will of most people of Crimea - Russians and those who consider the Russian language and culture as their native ones - was ignored. This is an abuse of human rights and of the rights of ethnic enclaves in Ukraine, including Crimea," Tsekov said.

OSCE Official Assures Support on Crimean Issue

*AU1205155395 Kiev HOLOS UKRAYINY
in Ukrainian 11 May 95 p 1*

[Unattributed report: "There Is No Need To Hold a Referendum"]

[FBIS Translated Text] Ukrainian Supreme Council Chairman Oleksandr Moroz received Andreas Kohlschuetter, head of the OSCE mission in Ukraine, at his request.

The guest briefed the Supreme Council head on his mission in Ukraine in connection with the Crimean issue and stressed that the Crimean Autonomy may only find its place within the framework of a sovereign Ukraine.

In the course of talks, Oleksandr Moroz stressed the importance of the autonomy's Supreme Council as a democratic institution and as a factor of the power of the people in the region. It was pointed out that over the last two years, Ukraine's Supreme Council has repeatedly

shown its readiness for compromise and has adopted a number of decrees that opened up extensive possibilities for the Crimean deputies to hold a constructive and creative dialogue. However, attempts by the Ukrainian Parliament in this direction did not receive any proper response.

Andreas Kohlschuetter stated that the points of view of Ukraine's Supreme Council and of the OSCE on the inexpediency of holding a referendum in the Crimea fully coincide. He told the Supreme Council chairman about preparations for holding a "Ukrainian round table" on the Crimean issue in Switzerland.

Moroz Urges Constitutional Agreement With President

*LD1305104695 Kiev UNIAN in Ukrainian
0930 GMT 13 May 95*

[FBIS Translated Text] Kiev [no date as received] — Supreme Council Chairman Oleksandr Moroz has proposed an agreement between the president and parliament of Ukraine, naming the president as the head of state and executive power and the Supreme Council as the supreme legislative body in Ukraine. A draft of the agreement was presented to a parliamentary presidium meeting on 12 May.

The draft proposes that the sides undertake the following:

- stepping up the preparation and passage of the Ukrainian constitution;
- acting in accordance with the Declaration on the State Sovereignty of Ukraine, the Act on the Declaration of Ukrainian Independence, and the results of the nationwide referendum of 1 December 1991;
- reaching agreement on a moratorium on a nationwide referendum in 1995, including a consultative one; and plebiscites on any subjects, except for those that closely relate to the passage of the new Ukrainian constitution;
- agreeing upon and coordinating further activities to reform society;
- immediately forming a government, submitting and approving its action plan, and reestablishing production; and
- seeking to consolidate Ukrainian society on the basis of reforms, law and order, citizens' social guarantees, and human rights and freedoms in Ukraine.

Under the draft, the agreement is to remain in force until the approval of a new constitution, with any changes to be made only on the basis of consensus between the parties to this agreement.

Crimean Opposition Moves To Oust Parliament Speaker

*LD1305193395 Moscow ITAR-TASS in English
1842 GMT 13 May 95*

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, May 13 (Itar-Tass) — The Crimean parliament opposition did not waste time to strengthen its ranks while parliament speaker Sergey Tsekov was discussing Ukraine-Crimea relations at a round-table conference in Switzerland.

On Saturday, 53 out of 98 deputies signed a statement pledging to work in a new parliament, the Supreme Soviet of the Autonomous Republic of Crimea, and obey Kiev's demands to chart a new constitution for the Crimea which will enter into force only after approval by the Ukrainian parliament.

The opposition leaders said the faction "Respublika" may join in at any moment. It has already prepared such a draft and has received Kiev's consent.

Faction leader Vladimir Klychnikov did not rule out the probability of such an alliance. He told journalists that "there is a objective reality which we cannot ignore: the Crimean government is subordinated to Kiev."

"Those who do not understand this should leave the parliament," he said referring to Tsekov and his allies.

The opposition plans to raise the question of his resignation on Monday. Observers say it is possible that the opposition may also propose a candidate to replace him. One of the possible successors is Yevgeniy Suprunyuk, head of the Crimean fire-fighting service.

However, parliament deputy speaker Aleksandr Frolov told Itar-Tass today that he will not participate in the session. In addition, May 15 has been designated for a meeting of the parliament presidium to discuss a referendum on the May 6, 1992, constitution, he said.

Crimea Factions Deny Plan to Reorganize Parliament

*LD1405193395 Moscow ITAR-TASS in English
1852 GMT 14 May 95*

[FBIS Transcribed Text] MOSCOW, May 14 (Itar-Tass) — The leaders of two pro-Russian factions in the Crimean parliament denied on Sunday [14 May] media reports that the majority of the deputies gave their go-ahead to reorganise the parliament into the Supreme Soviet of the Autonomous Republic of Crimea and chart a new constitution.

A statement signed by Yuriy Zyryanov, head of the "Russia-Unity" faction and Yuriy Podkopayev, leader

of the "Russia" faction, said that these reports did not correspond to the reality.

Moreover, "any statement by part of deputies without convocation of a session of the Supreme Soviet of the Crimea is illegal and has no legal mechanisms of implementation," they said.

On Saturday, the Crimean parliament opposition leaders said 53 out of 98 deputies signed a statement pledging to work in a new parliament, the Supreme Soviet of the Autonomous Republic of Crimea, and obey Kiev's demands to work out a new constitution for the Crimea which will enter into force only after approval by the Ukrainian parliament.

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The parliament has been actively discussing the situation following the abolition of the constitution and presidency in the Crimea by the Ukrainian parliament.

Republic Worried Over Unrest Among Crimean Tatars

*LD1205174595 Moscow NTV in Russian
1800 GMT 11 May 95*

[FBIS Translated Text] A group of Supreme Council deputies headed by Serhiy Tsekov, the speaker of the Crimean Parliament, went off to Switzerland to debate Ukrainian-Crimean relations with their Ukrainian counterparts. On 15 May Kiev's deadline for the preparation of the new draft constitution of the republic by the Crimean Parliament will expire. There is no draft, and it means that the Crimean Parliament could be disbanded. However, this will all happen next week.

Right now the republic is worried over demonstrations by the Crimean Tatars. Over 3,000 people marched today on the streets of Simferopol to the building of the Crimean prosecutor's office where they held a rally. The protesters demanded that the leaders of the Crimean police and prosecution punish racketeers and murderers, including those wearing police uniform, who are harassing the Crimean Tatars.

However, what is worrying in these fair demands is the desire of the leaders of the Crimean Tatar nationalist movement to explain all social ills by nationalism. Server Kerimov, the leader of the Adalet Party, said openly that the destabilization of the life of the Crimean Tatars plays into Russia's hands and benefits those political forces in Crimea who would like to unleash another Chechnya on the peninsula.

He said that detachments of Crimean Tatar soldiers, or askery, had already been set up to prevent this. They are to fight against Crimean Cossacks. In spite of police bans, armed self-defense detachments have also been organized by the Crimean Tatars. Local passers-by were concerned at such speeches at the rally.

Gas Supplies From Kiev to Crimea Almost Halved

*LD1205192795 Moscow ITAR-TASS World Service
in Russian 1331 GMT 12 May 95*

[By ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Translated Text] Simferopol, 12 May — The supply of natural gas to Crimea has almost halved. In this respect Serhiy Mykhaylov, the republic's energy and industry minister, has said that this measure has been undertaken by Ukrainian gas suppliers due to the large gas debts that Crimea has accumulated. In connection with this the Crimean Government has issued an instruction demanding that all nonpayers pay their bills by 1 June. Otherwise fuel supplies will be cut off to those who fail to do so.

The minister also said that the limits imposed on the supply of gas will be covered by an increase in the production of gas from the Black Sea shelf near the Crimean coast. But money is needed for this and there is none in the budget.

In the meantime it has become known to the ITAR-TASS correspondent that production on two sea drilling rigs is being wound up since there is no money to pay wages to the gas producers.

Kiev Fails To Cut Off Gas to Debtors

LD1305181395 Moscow ITAR-TASS World Service
in Russian 0944 GMT 13 May 95

[By ITAR-TASS correspondent Galina Nekrasova]

[FBIS Translated Text] Lvov, 13 May (ITAR-TASS) — The Ukrainian Government has failed to act on its promise to suspend gas supplies to debtors as of 10 May. An ITAR-TASS correspondent learned today that debtors in the countryside could expect to see their gas supplies cut off between the 10 and the 20 of May. As for long-term debtors in towns, this matter is difficult to resolve. However, Ukgazprom and the Ukgaz corporations have warned the debtors that the gas supplies may still be suspended.

Kuchma Interviewed on Parliament Session

LD1405161695 Moscow INTERFAX in English
1532 GMT 14 May 95

[FBIS Transcribed Text] KIEV, May 14 (Interfax - Ukraine) — Ukrainian President Leonid Kuchma has not yet taken a decision on taking part in the closed-door session of the Ukrainian parliament on repeated debate in the second reading of the bill on the state power and local self-government.

In an interview with Interfax-Ukraine on Saturday [13 May] he also expressed surprise due to the expected closed-door character of the session.

According to the president, he "does not consider necessary to take part in this session, if the debate takes place in the same spirit as last time".

At that time the Ukrainian parliament was unable to take any decision on key provisions of the bill, which envisages strict division of functions between the executive and legislative branches of power, as well as relieves the local councils of the functions of bodies of state power.

Communist deputies earlier repeatedly spoke against the adoption of such law.

In the interview with Interfax-Ukraine, Kuchma said that if the bill is voted down, he intends to put to a referendum the problem on confidence to parliament and the president.

The president also said that the formation of a new government will fully depend on whether the bill will be passed or not.

After that it will be clear who will form the Cabinet of Ministers, the parliament or the president, he said.

"If today I submit to parliament candidatures for the prime minister and other ministers, the debate will last

for months," said Kuchma. "We have no time," he said, and added that the uncertainty in the position of the government ministers hampers their work.

Kuchma denied reports in some news media on possible dissolution of parliament after the law on power is passed. "All problems in the relationships between the different branches of power should be solved in a civilized way", he said.

Economic Issues

EBRD Distributing Loans Through Commercial Banks

WS1205111395 Kiev VSEUKRAINSKIYE
VEDOMOSTI in Russian 5 May 95 p 5

[Article by Mykhaylo Romantsov: "Credit 'ECU-pation' or Life Belt?"]

[FBIS Translated Text]

Heap Your Money on the Soviets!

Heeding French President Francois Mitterrand's suggestion, EC two years ago set up the European Bank of Reconstruction and Development (EBRD) to provide financial assistance for new democratic countries, which had emerged from the ruins of the developed socialism camp. Since then the EBRD has been extending credits and grants under certain Ukrainian projects as well (in particular, to establish a wholesale vegetable market or a system of communications). However, it has been doing so independently, not using the services of local financial brokers.

Any decision by the EBRD to provide assistance has therefore been linked with obtaining an independent assessment of a project and searching for reliable guarantors for the repayment of a credit, if the matter has not involved a free grant.

And suddenly, the EBRD decided to distribute quite a substantial credit (ECU100 million) through Ukrainian banks to support business for the first time. The "Hradobank" has become the first such bank, and it has already received the first part of the credit, amounting to ECU10 million.

Are They Raising Partners?

Attitudes toward Europeans' money injections into our nearly paralyzed economy may be different. I am not inclined to consider them as an intention to put us in a debt pit or to "ECU-py" Ukraine for the next few generations, nor can I see any altruistic calls from the heart. What is looming here is a healthy and well-considered expectation of receiving interest rates from

invested capital, and primarily, the hope of raising Ukrainian partners, with whom they could do business, without fear of dirty tricks. And only businessmen and private owners can become such partners. They are not only interested in conducting successful business, but in case of bankruptcy, they will repay debts in their own property, unlike the state.

During a business dinner, at which EBRD First Vice President Ron Freeman met with our capital's financial and export elite, concern over delays in Ukrainian privatization was voiced repeatedly. Also addressed was the issue of repaying loans. However, even the fact that the European community has turned down the services of the state administration in distributing credits (it has apparently become convinced that this resembles pouring water on sand) emphasizes who has been favored in its selection.

"We are monitoring 11 other Ukrainian banks," R. Freeman said, "and we are assessing their capabilities regarding EBRD loans. In the current situation, however, it is better to rely not on banks, whose balance sheets are weak, but on professional bankers, among whom there are many strong and ambitious personalities."

Strong Personality

We met during the meeting with the first ambitious Ukrainian banker — "Hradobank" President Viktor Zherdytsky. To the question as to whether the first ECU10 million had already been distributed, Viktor Ustymovych replied in the positive, and named three companies which had received loans — "Veneto" (furniture), "Marshmallow" (confectionery), and "Ukraine-Consult" (consulting). Why were these companies selected? Apart from the fact that all of them are customers of "Hradobank," Viktor Zherdytsky pointed to their aggressive qualities and liquidity.

In general, the final "go-ahead" for granting credits to each specific bank is given by a group of independent people from the National Bank of Ukraine, who are responsible for the implementation of the project. And even if a positive decision is made with regard to a borrower, there is still a stringent mechanism for supervising the use of a loan, which envisions providing a monthly report concerning five or six issues.

Your Money, Our Oil

The same day, using the opportunity, Ron Freeman signed a contract with the Ukrainian-British joint venture "Poltava Gas and Oil Company," according to which \$8 million was earmarked for a project to increase extraction of energy sources. Additionally, as the EBRD first vice president believes, the principle of support-

ing business was observed: Although the two Ukrainian founders of the joint venture are state-run companies, the British partner, a private firm, ensures the required nature of the business.

According to Dave Davis, general director of the joint venture, the \$8-million loan will partially finance the project's first stage, which requires \$32 million. This first stage envisions that extraction of gas in Sanzharskyy rayon, Poltava Oblast, will increase to 1.3 million cubic meters per day by June 1996, and extraction of oil — to 1,700 tonnes daily. If the second stage, scheduled for 20 years, is accomplished, Ukraine will be receiving 7 million cubic meters of gas and 3,000 tonnes of oil daily from the Sanzharskyy deposit. This will account for over 1 million tonnes of oil alone, meaning 2.5 percent of the country's needs. And what if the same thing is done with regard to other deposits? Perhaps Ron Freeman's words that Ukraine will soon become known not only as a large consumer of energy sources, but also as a country producing them will come true.

CIS Bankers Meet in Yalta, Discuss Cooperation

WS1205141595 Kiev SILSKE ZHYTTYA in Ukrainian 6 May 95 p 11

[Report by Mykola Zakrevskyy: "National Currencies in CIS Countries Have Become Partly Convertible"]

[FBIS Translated Text] According to participants of an interbank conference, held near Yalta [Crimea], former admiration for convertible currency, or hard currency [VKV], has made way for completely well-deserved pride for national "soft" currencies. The lengthy period of their total devaluation has ended in practically all CIS countries; a few currencies, such as, for example, the Kazakhstan tenge, has been stable over the last 10 months. That is why a proposal by a conference member to give a new name — "limited convertibility currencies" [OKV] — to "soft" currencies was adopted without any reservations. This solidarity showed once again that relations between bankers are normal. The majority of the 200 conference members — representatives of 90 banks from the CIS and the Baltic states, including 10 bankers from Ukraine — have known each other for a long time. This generated a friendly and businesslike atmosphere at the conference.

The businesslike atmosphere allowed this conference to focus on burning issues: Relations between bankers, as they say, are one thing, while channelling money to customers is far from perfect. The point is not only that not all countries have introduced an electronic system of payments. Ukraine, for example, has such a system

of payments. Only two Ukrainian financial-credit institutions, however, are listed among the hundred largest CIS banks. Things are the other way around in Russia: Over 80 banks are on this rating list, while transferring payments across Moscow takes from five to 10 days. Interbank operations — under such conditions — suffer from flawed correspondent relations. Therefore, the following tenet was introduced in the final version of the conference resolution: When contracts on correspondent relations are concluded, it is also necessary to specify the terms and conditions for fulfilling payment orders. In addition, a correspondent bank is obliged to strictly fulfill payment orders, without changing the route of the payment, unless an agreement to this effect has been reached with a payer or a receiver of payments. This decision was triggered by the fact that banks that have their own clearing system — a network of bank branches — often keep remitted payment orders at their branches to support their liquidity, thus failing to meet customers' demands.

The practice of maintaining mutual accounts by paying cash — as authorized by customers — is particularly detrimental to bankers. There were cases when messengers had to deliver some \$100,000 or \$200,000 in cash. This, however, leads to crime, and triggers tension in relations between bankers and their customers. In connection with this, Ukraine's authorities — according to Oleksandr Kyreev, deputy chairman of the Ukrainian National Bank leadership — in addition to customs declarations specifying the amount of currency that is brought in and out of the country, will request presentation of a certificate from a consigner's bank account. "We will regard such a certificate as both the inability to conduct banking operations and incompatibility with the rules of banking activities, because there are electronic accounts lines."

Regarding this aspect, a discussion on forms of accounts, to be precise, of payments, was interesting. Between five and seven types of banking payments are used across the world, while in practice one type — a payment order — is applied in Ukraine. On the one hand, banks are not always staffed with qualified personnel; on the other hand, this situation is much more reliable [as published]. Is this, however, better for consumers? It is noteworthy that there are pleasant exceptions among Ukrainian banks. The "PrivatBank" is the only bank in Ukraine applying a much more expanded documentary business [dokumentarnyy biznes], or a system of other types of payments, stated Yuriy Isayev, vice president of the "Russian Credit" bank, who requested a discussion on single terminology standards and currency exchange operations terminology.

Finally, three days of work by bankers in separate groups, at general meetings, and lobbies substantially amended and changed such common banking documents as an agreement on cooperation on the market for interbank credits; an agreement on payments by a letter of credit; an agreement on a contract on correspondent relations (a procedure for transferring financial and other reports); an agreement on holding currency exchange operations; tenets regarding the settlement of mutual obligations through conversion contracts (netting); guarantees to conclude contracts; a forward contract to buy and sell OKV; an option to buy VKV; recommendations pertaining to a procedure for restoring limits on ForEx [preceding word in English] and credit operations between banks.

One of the urgent problems — activities of foreign banks on domestic currency markets of CIS countries and Baltic states — has triggered, as was expected, quite a few polemical reports. The reason for this is the protectionist banning of activities of branches of foreign banks by national governments. For example, the Central Bank of Russia does not allow Russian banks to transfer cash rubles — delivered from Ukraine — to correspondent bank accounts, held by Ukrainian banks in Russia. It is understandable that there is a shadow market, because — according to conference members — the purchase rate of cash rubles [Russian rubles] in Ukraine drops between 7 percent and 15 percent at specific periods of time. Other countries are also not fond of foreign banks. The sale of currency by foreign banks in the CIS countries is practically unrestricted, while purchases of currency are banned everywhere. The explanation is more or less as follows: Freedom of activities will undermine national currency markets, therefore, excuse me, you must wait. "How long?" exclaimed a banker when an official delivered the report. "Until there is a completely legal currency market, the volumes of sales and purchases at stock exchanges will not reach a relevant level."

In all fairness, I would like to emphasize that Russia is also concerned with the expansion of foreign banks' activities. Responding to my question about the prospects of their work, Oleksiy Mamontov, stockbroker at the Moscow-based Interbank Currency Exchange, answered optimistically: "The Central Bank of Russia has not turned down our proposal regarding foreign banks' restricted operations with VKV and unrestricted operations with OKV. This is good; the proposal, however, has not been approved."

Our problems, as I managed to clarify in a discussion with Baltic bankers, have been resolved in Lithuania, Latvia, and Estonia. All foreign banks work with VKV without any restrictions. If we do not have

the necessary economic conditions for this now, why should we not introduce a "crawling" liberalization to — stage-by-stage — provide wider and wider access to one currency, and simultaneously continue temporary restrictions on other currencies, considering competition on a currency market and the interstate balance of trade and payments?

In general, this issue needs a relevant regulatory environment in the CIS states, previously coordinated by national banks and governments. Meanwhile, bankers appealed to their national banks to discuss foreign banks' access to currency markets. This concept was approved as a tenet of a resolution.

One more issue. The conference showed that bankers could become an influential political force. By assigning permanent status to an organizing committee, representatives of banking circles thus confirmed their intentions to initiate the adoption of legislative acts and political decisions critical to the genuine development of the banking system. "To enter the political arena and create pressure is a task for each and every one of us," stated a national bank representative to the bankers. Lobbying is extremely important, however, it is now hardly possible. According to "PrivatBank" leadership head S.L. Tyhypko, head of the organizing committee, we have a few politicians with sober pragmatism, but many politicians with cheap populism. "A few earn their authority by tearing down banners in public places; others — by promising land flowing with milk and honey. When people need responsibility for specific activities, a closer alliance and mutual cooperation will become possible." Replying to my question regarding the primary achievement of the conference members, Serhiy Leonidovych Tyhypko unexpectedly provided the Latin saying: "When money is lost, nothing is lost. When time is lost, half is lost. When spirit is lost, everything is lost." This did not sound like a jingoistic statement by enthusiastic Komsomol members of a we-are-blacksmiths-and-our-spirit-is-young type. On the contrary, the quintessence of the reports delivered by conference members was that it is not worth waiting for the governments' kindness. "It is our task to win these governments over."

National Bank Chairman on Use of Standby Credits

*LD1405122995 Kiev Radio Ukraine World Service
in Ukrainian 1000 GMT 14 May 95*

[FBIS Translated Text] A number of international financial institutions, such as the International Monetary Fund, the European Bank for Reconstruction and Development, and the World Bank, have recently provided credit facilities to Ukraine. First and foremost of these are the large-scale STF [systemic transformation facil-

ity] and standby currency credits for the structural reorganization of the national economy.

How is the money being administered by Ukraine? Viktor Yushchenko, chairman of the Board of the National Bank of Ukraine, answers the question.

[Begin Yushchenko recording] Ukraine received \$583 million along the lines of the STF and \$125 million along the lines of the standby credit.

The National Bank put \$210 million into circulation in order to carry out a currency intervention when there was a fall in the exchange rate of the karbovanets. Now we can say that all that money, to the last cent, has been returned and now works as a reserve currency fund. In other words, we have immediate access to that money, however the access is justifiably stipulated by the fact that this aid [word indistinct] is used exceptionally to support the national currency through the currency exchange mechanism. We can use it only when the devaluation of the monetary unit goes beyond the set parameters. In this case, we can take this money and channel it to support the exchange rate of the monetary unit. But I should tell you that over the past few weeks, even over the past few months, there has been an opposite tendency, a tendency toward a growth in the exchange rate of the Ukrainian karbovanets, a growth which has no objective reasons behind it. Instead of being a currency seller, the National Bank is forced to be its prime buyer. Therefore, all of this undoubtedly had an effect on the National Bank's stand on the use of the STF credit. At this point we can say that the credit worked perfectly well and performed its functions properly in the fourth quarter [not further identified]. As of February it can be used under the condition that we solve the domestic problem of nonpayments for critical imports. Only then can this money be used in real terms to stabilize the monetary unit.

Regarding the rehabilitation credit, we received about \$300 million which is used, under the terms of administering that money, to pay invoices for critical fuels. This is done by bypassing the exchange and the banking system, because this money is administered by the Ministry of Finance and the government.

We are still due to receive \$1.558 billion. This money can become an essential factor at the end of the second quarter, when we are to receive a significant part of the above sum, and particularly in the third quarter. [end recording]

Statistics Show Continuing Economic Difficulties

LD1405230695 Kiev UNIAR in Ukrainian
1810 GMT 14 May 95

[FBIS Translated Text] The economic situation in Ukraine in the first quarter [of 1995] remained difficult. The gross domestic product fell by 10.6 percent compared with the first quarter of last year. The volume of industrial production fell by 12.1 percent compared with the first quarter of 1995, including a decline in consumer goods by 20.3 percent (in the first quarter of 1994 they fell by 38.4 percent and 39.2 percent respectively), and labor productivity declined by 4.1 percent (in the first quarter of 1994 it declined by 32.4 percent).

In the first quarter of 1995 gross output was down by 8 percent in all categories of the economy compared with the same period of last year, including a decline of 20 percent in the social sector.

The provision of fuel to the social sector was somewhat worse than in 1994. In the first quarter 694,200 tonnes of diesel fuel and 314,100 tonnes of gasoline were delivered, showing declines of 10 percent and 5 percent respectively compared with the same period of 1994.

As of 1 April this year 4,400 non-state sector enterprises were operating in industry, which is 49 percent of the total. As before, leased forms of management constituted the largest share in the non-state sector, comprising 1,200 enterprises producing 32 percent of the total output.

The number of private farms in the first quarter of 1995 increased by 1,057 and as of 1 April they exceeded 33,000. Private farms comprised 729,000 hectares of agricultural land. Farmers sold 206 tonnes of livestock and poultry in live weight and 129 tonnes of milk and dairy products to the state.

The process of privatizing the state housing stock is continuing, however, the rate at which it is being privatized has slowed down considerably. In the period January-March 176,800 apartments (one-room buildings) with a total area of 8.8 million square meters were transferred to the population. This is almost half as much as in the first quarter of last year. The majority of apartments and buildings (163,100 or 92 percent) have been privatized at no cost and with compensation by means of housing checks for living areas that are below the established norm.

The deficit of Ukraine's consolidated budget in the first quarter of 1995 reached 66 trillion karbovantsi and increased to 56,600 trillion in March alone. The biggest proportion in the overall volume of revenues of the consolidated budget, which amounted to 302.2 trillion karbovantsi, was enterprises' and enterprises'

profit tax, which contributed 27.7 percent, and value added tax, which contributed 25.7 percent. Excise duty contributed 2.5 percent and taxes on citizens 6.1 percent. A considerable proportion of the budget revenue is composed of pension fund receipts — 18.5 percent — with contributions into the fund for overcoming the consequences of the Chernobyl tragedy at 4.5 percent.

Expenditures of the consolidated budget were financed to the tune of (?368.2 trillion) karbovantsi. Sixteen percent of all expenditures went on the national economy, 37.1 percent on sociocultural requirements, 6.2 percent on administration, and 5.1 percent on defense.

Pension fund expenditures were 58.7 trillion karbovantsi which is [figure indistinct] more than the fund received. Expenditures connected with overcoming the consequences of the Chernobyl tragedy amounted to 13.2 trillion karbovantsi, 300 billion less than the fund received.

The total amount of deferred payments by enterprises and organizations in the first quarter increased by 120 percent and by 1 April 1995 amounted to almost 380 trillion karbovantsi. Ninety-four percent of the total amount of deferred payments consists of mutual settlement debts between enterprises and organizations, and 6 percent are debts for bank loans.

The volume of mutual indebtedness between businesses in Ukraine and their trading partners in countries of the former USSR is steadily getting bigger, and by 1 March 1995 constituted 162.3 trillion karbovantsi, including accounts receivable of 27.3 trillion and accounts payable of 135 trillion (the figures with respect to Russia are 23.5 trillion and 122.7 trillion respectively). The total debt balance in February 1995 increased by 30 percent and amounted to 107.8 trillion karbovantsi of which 92 percent was owed to Russia and 7.8 percent to Turkmenistan.

The population's earnings amounted to 331.4 trillion karbovantsi and exceeded spending by 32.2 trillion. The average monthly earnings per head of population in the first quarter of 1995 were [figure indistinct] and increased by [figure indistinct] compared with the previous quarter. Average spending increased by 2,286,000 karbovantsi, a 60 percent rise. Spending on food in the family's budget during this period increased by 70 percent, on non-food items by 40 percent, and on services by 100 percent.

Average monthly salary of workers and civil servants in the first quarter was 4,214,000 karbovantsi, 60 percent more than in the fourth quarter of last year.

A steady fall in the rate of inflation was observed. Thus, if the rate of inflation in January was 121.2 percent and in February 118.1 percent, then in March

it was 111.4 percent. Prices on goods and services in the consumer market rose by 60 percent in the first quarter. Paid services to the population increased by 140 percent. Prices for food and non-food products rose by 50 percent and 40 percent respectively.

The functioning of the official labor market in the first quarter of 1995 took place in conditions of increased offers of manpower and demand for it.

The level of unemployment in the country as a whole increased by 0.02 percent and at the beginning of April stood at 0.31 percent of the able-bodied population. This figure is differentiated according to region: from 0.04 percent in Kiev and Sevastopol to 1.23 percent in Ivano-Frankovsk Region.

Enterprises' requirements for workers to fill vacant posts at the beginning of April was 143,100, compared with 136,000 at the beginning of the year.

The number of those finding employment in the first quarter was 50,400 or 43.2 percent of those registered as unemployed during this period (the figure for the first and fourth quarters of 1994 was 36.2 percent and 52.1 percent respectively).

This is from FINANSOVA UKRAYINA of 11 May 1995

Belarus

Lukashenka Participates in Call-In Program

WS1205140095

[FBIS Editorial Report] Minsk BTK Television Network in Belarusian at 1620 GMT on 11 May carries a live two-and-a-half hour call-in program with Belarusian President Alyaksandr Lukashenka at the BTK studios in Minsk. The program is moderated by Eduard Melnikov. Lukashenka speaks in Russian throughout the program.

President Lukashenka begins by answering a question from the moderator concerning his attitude toward the upcoming Supreme Soviet elections and referendum scheduled for 14 May. Lukashenka affirms his earlier declarations, to the effect that he is not going to vote in the elections, given that he is not familiar with the candidates' platforms; he only knows that they represent "some dwarf parties." He then stresses the importance of the referendum, deeming it of "grave importance" for the future of Belarus. He appeals to "all the compatriots" to give positive answers to the questions asked in the referendum. Lukashenka then thanks all the farmers who have completed the annual sowing campaign, despite the difficult economic situation.

A BTK correspondent in Brest is then shown introducing a group of people on the street. Mr. Gavrilov, manager of the Knitwear Factory, asks President Lukashenka about government measures to resolve the problem of nonpayments, and complains that his factory does not have enough money to pay wages or buy raw materials. Lukashenka answers that those kinds of problems are not quite within his realm of competence, and adds that there is a great share of guilt on the part of enterprises, which cannot sell their products because they are too expensive. He recommends direct sales, bypassing commercial middlemen.

A student at the Teaching Institute is then shown asking about the expediency of holding the "expensive" referendum "under the current dramatic economic situation, when students have not been paid scholarship money for weeks." The president answers that the issue of financing the referendum is being exaggerated by activists of the opposition Belarusian Popular Front. According to him, "not a single kopeck" of state money is going to be spent on the referendum, and if the decision is made to change the state symbols of Belarus, this will not be a very costly undertaking, given that "only 150 seals will have to be replaced." As for the national flags, they have to be replaced every two months anyway, for they "fade in the sun."

An unidentified entrepreneur asks Lukashenka to comment on the recently drafted bill stipulating an increase

in taxes for private entrepreneurs. The Belarusian president says: "You know my stance. I will never support swindlers." According to him, there are "honest entrepreneurs" — producers, and there are middlemen "who bring up prices twofold or threefold." Only "genuine" entrepreneurs will be supported by the state, those who invest and produce.

Asked by a war veteran whether the legislative elections could have been postponed until "better times," Lukashenka replies that it was the Supreme Soviet that set the election date, and he suggested holding a referendum on the same day to avoid additional costs.

The program moderator in the BTK studios in Minsk then asks the Belarusian president to explain to the people about the National Bank's hard currency reserve. Lukashenka explains that the government is artificially supporting the high exchange rate of the U.S. dollar and intervenes in the currency exchange buying of surplus hard currency.

A group of people sitting in the BTK Vitebsk studios are then shown. The manager of the Belvest Belarusian-German joint stock enterprise asks Lukashenka about the abolition of customs barriers in trade with Russia and about creating equal conditions for Belarusian and Russian enterprises.

Lukashenka says that Belarusian and Russian "people have been taken apart by force," and traditional fraternal ties have been disrupted. He then enumerates measures undertaken by the government to resolve the problems, including the abolition of customhouses on rail and air. According to Lukashenka, Russian Deputy Prime Minister Bolshakov is coming to Minsk on 12 May, and during the visit the two sides will determine the date on which Lukashenka and Yeltsin will meet at the Belarusian-Russian border "to bring down border poles." Lukashenka emphasizes that as for integration with Russia, Belarus has met its commitments, and Russia's work on its part of the agreement "is nearing completion." He adds that Belarus is not going to raise the issues of Russian troops stationed in the Republic or the transit of Russian cargo through Belarus. In exchange, Belarus anticipates that its products will enjoy equal conditions on Russian markets, and that Russian raw materials will be sold to Belarusian companies at Russia's domestic prices. Lukashenka points out that Russia has promised to concur. He says that at present, Belarusian companies already buy Russian raw materials 30 to 35 percent cheaper than other states. Lukashenka adds that if Russia "God forbid" fails to live up to its commitments, Belarus will "have to look for alternative ways." According to the president, this,

however, will not be easy, given that "the West does not want us."

Lukashenka then comments on a scholar's request to grant funds for a joint Belarusian-Russian educational project and promises that the project will be financed by the Ministry of Education.

The BTK Minsk studio moderator then again asks Lukashenka questions from people who have called the studios. An unidentified civil aviation pilot from Minsk complains about the situation that occurred at the Minsk civil aviation unit, where pilots receive only 30 percent of their salaries, while pilots from Russia are being employed to fly Belarusian passenger aircraft and receive normal wages. Lukashenka promises "to sort things out."

An unidentified caller asks the Belarusian president about his attitude toward the political activities of National Bank Chairman Stanislaw Bahdankevich. According to Lukashenka, Bahdankevich "does not suit him." He "oversteps his authority" and, instead of resolving the financial problems under his jurisdiction, "has rushed into the electoral bacchanalia."

Answering a question about prospects for privatization in the Republic, President Lukashenka says that people should be prepared for "honest privatization." He adds that the Control Chamber has conducted an investigation into the legality of transactions made under "the First Investment Fund" and revealed a lot of violations. The state will be "ruthless" to those phenomena. He adds that nobody is going to ask anyone "from where thousands and millions of dollars come," once people are ready to invest in Belarus.

An unidentified caller blames the government for the absence of reform, which exacerbates the already dramatic economic situation. Lukashenka points out that "nobody has ever told the president what kind of reform should be carried out." The only body that expressed specific requirements was the IMF, which demanded that Belarus "start selling land and enterprises, and free prices and exports." According to Lukashenka, "we already had that in [former Supreme Soviet Chairman] Shushkevich's times. The president is not going to carry out this kind of reform. Only a fool can do that, someone who does not know Belarusian realities."

The BTK studios in Gomel are then shown, and a school principal — pointing out that the Belarusian language is deemed a state language in Article 17 of the basic law — asks Lukashenka about his understanding of "equal rights" for the Russian language, which is one of the questions to be asked in the referendum.

Lukashenka says that the state spends "enormous funds" to publish Belarusian books and magazines, which nobody is buying. Lukashenka maintains that "people do not want them." He adds that "the forceful introduction of the Belarusian language will not work." He adds that equal status of the Russian language means that "this gigantic language" will be granted the status of the state language, which will find its reflection in the constitution.

Lukashenka then comments on medical care for children afflicted by the Chernobyl nuclear power plant accident, saying that the state has no funds for the construction of new medical facilities.

An entrepreneur addresses Lukashenka and says that the state does nothing to support private producers. Lukashenka answers that the state has no money to assist everyone and adds: "If you are what you say you are, you must be a smart man. Go ahead and act. The state will assist you if you are ready to construct housing, if you have a program." According to the president, the government has to pay \$165 million in interest on credits secured by the Kebich government, and he has told the IMF that the state has no money for that. He then comments on the government's new draft envisioning state assistance for housing construction, and cites examples of various organizations trying to "rip off" the nation by demanding budget financing for their projects.

A kolkhoz manager in the Minsk studios asks Lukashenka to express his attitude toward commercial banks, which charge very high interest rates on credits issued. Lukashenka says that state banks were transformed into commercial ones "long before his term" and that he, as president, does not have the right to change the status of banks. However, he is ready to undertake "very harsh measures" against commercial banks. He deems as a "great accomplishment" the fact that interest rates have decreased from 47 percent to 15 percent since January 1995.

The BTK Grodno studios are then shown, and a chemical plant manager asks Lukashenka to help pass a law on the creation of financial-industrial groups. Lukashenka points out that an agreement on forming financial-industrial groups with Russia was signed at his initiative. He adds that Western companies, too, can become members of such groups: "We will definitely accept those who will come to us with raw materials, money, and equipment." The creation of seven groups with Russia is currently being discussed.

A Grodno city deputy raises the issue of bilingualism again, and says that other nationalities aside from Belarusians and Russians live in the oblast's territory.

including Poles, who also have the right to use their native language. Lukashenka says that he acts in the interests of entire state and not separate oblasts. He adds that certain ethnic Polish politicians residing in the oblast, as well as Roman Catholic church officials, follow "very alarming trends" that can lead to changes to the existing borders.

Lukashenka then comments about the state's "favorable" attitude toward "certain types" of literature, including books by Belarusian collaborators with the Nazi regime, other cultural issues, the state policy in the cause of national revival, and a "resurrection" of nationalism and fascism in Belarus. He then draws the following conclusion: "As long as Lukashenka remains president of our Republic, there will never be fascism under the leadership of paznyaks, revanchists, and others." A Belarusian State University professor supports Lukashenka's statement.

Lukashenka answers an unidentified speaker's question about his relationship with the former Supreme Soviet, by saying that they have "parted as civilized people."

A group of people is then shown on a street of Mogilev. The program is interrupted by a short clip showing residents of a Mogilev Oblast rayon bordering Russia. Local residents are shown saying that they never have any disputes with their Russian neighbors and that they support President Lukashenka.

The president answers questions from local officials, concerning the cleanup of territories contaminated by the Chernobyl accident and problems with supplies of medicine. He says that "instead of weeping, we should work to make our lives better." He promises to listen to the reports of people responsible for Chernobyl issues. Lukashenka adds that he has requested that the health protection minister "restore order" in medicine supplies.

The remaining part of the program is held at the Minsk BTK studios. Lukashenka promises state support for the people of "creative professions" and science. Most people present in the studios voice their support for the president's striving toward integration with Russia. Lukashenka also answers the participants' questions about specific lower-profile issues.

Lukashenka Interviewed on Relations With IMF

*LD1205191295 Minsk Radio Minsk Network
in Belarusian 0400 GMT 12 May 95*

["Exclusive" interview with President Alyaksandr Lukashenka by correspondent Svyatlana Ilyushenka on 11 May, place not given — recorded, in Russian]

[FBIS Translated Text] [Announcer] We are returning again to the negotiations with representatives of

the IMF. Yesterday, President of Belarus Alyaksandr Lukashenka and members of the government of the republic met the director of the second European department [name indistinct] and the executive director of the IMF from Belgium in Belarus [name indistinct]. After the meeting ended, a correspondent of "Radiofakt," Svyatlana Ilyushenka was given an exclusive interview with Alyaksandr Lukashenka.

[Begin recording] [Ilyushenka] Is there a contradiction between Belarus and the IMF representatives regarding Belarus receiving an IMF credit for stabilization of the economy?

[Lukashenka] [words indistinct] On our part there are no contradictions. All the promises that our government gave have been carried out. I am worried by some approaches and political subtext of certain demands of IMF representatives. They were directly told so at these negotiations. The negotiations, as you can see, lasted for a very long time and I think that the IMF representatives understood our position. We simply said the following: If the IMF sincerely wants to help the Belarusian economy, thank you, we are prepared to accept that help. But do not link the economy, the economic relations between the IMF and Belarus, with politics. This was said directly to the IMF. We were given assurances that there were no politics in that.

Unfortunately, I receive different information from other sources about the true policy of the IMF and about its linking economic and political demands. It is not acceptable in relation to an independent and sovereign state, which the IMF wants to see our republic become. You have to admit that I have the right to make such a statement. The conversation was exceptionally direct and sincere. The process of those negotiations and agreements ended a long time ago. Specific actions are needed. As a result of those negotiations, we have received assurances from the IMF leaders that we will receive the second credit. It was the main result of our talk today.

[Ilyushenka] Alyaksandr Rygoravich, to what degree, in your opinion, have the IMF representatives achieved their goal in Belarus?

[Lukashenka] I do not know to what degree they achieved it, but they are totally misinformed on those processes that are taking place in the economy of the Republic of Belarus, totally misinformed. They probably take information from our newspapers and radio, and you know what position they sometimes assume, and especially from statements of some of our political activists who have today involved themselves in the election campaign. That has misinformed the IMF considerably, as I could see. However, when I asked

them a specific question after they told me that the inflation is high or that our discount rate of the National Bank is very low, I did not receive an answer. Therefore, the IMF will correct their position in the near future.

It has recently granted credits to Uzbekistan, Kazakhstan, and Ukraine. I asked them in that connection: Please tell me in what respect have these states outperformed Belarus in economic reforms? There was no answer. Therefore, you can draw conclusions. Probably, our independence is not very much to the liking of international financial organizations and some western states. It is natural and we can understand that, but we are an independent sovereign state.

I categorically disagreed with the IMF pushing the processes of privatization, not just of state property, but also of land in our country. We are not rejecting those processes at all, but one should take into account that it is a lengthy process and that it cannot be done within one or two months. We have already seen how a neighboring fraternal state has carried out privatization and the result also. We want to carry out these processes calmly, without exploding the situation inside our state.

[Ilyushenka] Alyaksandr Rygoravich, will there be a committee under the umbrella of the IMF that will observe the progress of economic reforms in our republic?

[Lukashenka] You know we do not set up any observation committees on the territory of other states. Therefore, I would not like to see any states or international organizations setting up committees that would, on top of everything, observe the policies inside our state and control our policy. All that concerns reforming of our economy and credits, as well as their purpose — no problem, one can come and take information in any body, without any observation.

[Ilyushenka] What are the prospects for future cooperation with (?international agencies)?

[Lukashenka] Very good prospects, if there is no political subtext. We are a sovereign independent state. We will decide ourselves how to build our relations with Russia and other states, etc. and not somebody from abroad, including the IMF. If the IMF is only interested in good economic relations with the Republic of Belarus, there are good prospects. They know all that themselves. [end recording]

Air Defense Commander on Cooperation With Russia

*MM1205143995 Moscow KRASNAYA ZVEZDA
in Russian 12 May 95 p 2*

[Interview with Lieutenant General Valeriy Kostenko, commander of the Belarusian Air Defense Forces, by

Valeriy Kovalev; date, place not given: "Russian and Belarusian Air Defense: Year of Cooperation" — first paragraph is introduction]

[FBIS Translated Text] As we have already reported, documents on the creation of a unified air defense system for CIS states were signed at the Almaty meeting of Commonwealth heads of state and government 10 February of this year. It is not being built in a vacuum — earlier on a number of states concluded bilateral agreements on cooperation by alert forces and air defense systems. A typical example is Belarus, with which Russia signed such an agreement in February 1994. A statute on the procedure and mechanisms of this cooperation has been signed. How has it operated during this year? Our correspondent put this question to Lieutenant General Valeriy Kostenko, commander of the Belarusian Air Defense Forces.

[Kostenko] Under the agreement, in the event of a threat or the violation of the border of one of the states, the alert forces and systems must immediately inform each other. We have already had some experience of this. Two spheres of an unknown purpose were detected in the republic's airspace. They were traveling at a high altitude, at varying speeds, from the direction of our western neighbors. We located them, and launched some fighter aircraft to find out what these objects were. The spheres were small; the blips on the airplanes' radar periodically disappeared, and the darkness made it difficult to make out the targets visually. In short, we had plenty of trouble with these "UFO's" before establishing that they posed no threat. Since the spheres were flying in the direction of Russia, we reported this to our Russian colleagues. As a result, our neighbors avoided hassle, so to speak, and did not have to expend manpower and resources.

We constantly exchange radar and air traffic control schedule information concerning civilian aircraft crossing the Belarusian-Russian border along the established corridor. That is, we monitor the sections of the air stipulated in the agreement. We cooperate a force majeure arises — when assistance needs to be given to an aircraft experiencing an emergency, and during search and emergency rescue operations. There was a memorable terrorist attempt to hijack an airplane which was flying along the Syktyvkar-St. Petersburg-Minsk route. We obtained information about this from the Russian Air Defense Forces central command post. The necessary measures were urgently implemented at airfields, and the air traffic control services, the KGB, and the republic's Ministry of Internal Affairs were alerted. These were called off only after our Russian colleagues reported that the airplane had landed in Tallinn and the hijacker had been arrested.

[Kovalev] From what you are saying, Valeriy Vladimirovich, you are satisfied with the way the agreement is "working."

[Kostenko] Certainly. I elaborated the cooperation mechanism with Colonel General Prudnikov, commander in chief of the Russian Air Defense Forces, whom I consider to be my mentor. Viktor Alekseyevich used to be commander of the Moscow District Air Defense Forces, and I served under his command as commander of a combined unit. We have undergone the same training, we have the same views and attitudes toward solving air defense tasks. It has also proved possible to maintain communications channels between our command and control facilities. During the elaboration of the statute, we proceeded from the premise that our states are friendly and fraternal, and our task is to ensure the protection of the air borders together. Cooperation is advantageous to our countries in the economic sense too: The information which we exchange is expensive. If it were not for cooperation then both Belarus and Russia would have to take additional measures to reinforce their airspace.

[Kovalev] There must be some problems too?

[Kostenko] Talks have been going on for a long time about the use of Russian test ranges by our missilemen for combat firing. The test range in our republic only makes it possible to carry out real missile launches of short-range missiles. Officers up to the level of division commander have no experience of combat firing. Three or four versions of the agreement have now been examined, but experts cannot reach agreement over the price.

The republic's Air Defense Forces are experiencing difficulties over renewing the stock of combat hardware, providing spare parts for it, conducting operational-tactical regulation work, and training cadres. It is hard for us to get by here without Russia's help. But it would be to Russia's advantage too if our troops were to offer assistance in ensuring the protection of the air borders in the western operational area.

CIS Secretary Welcomes Russian Economic Integration

LD1305171295 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 13 May 95

[FBIS Translated Text] CIS Executive Secretary Ivan Korotchenya believes that tomorrow the Belarusian people will say yes to economic integration with Russia.

[Begin Korotchenya recording] We broke our relations in one go, we just cut them. For the last three and a half years we have been suffering. Through an economic

union, through multilateral and bilateral relations, relations between Russia and Belarus are improving, more or less, and I welcome this. I am glad. [end recording]

Problems in Planned EU Observers' Media Meeting

WS1505111195 Minsk BELAPAN in English 0900 GMT 15 May 95

[FBIS Transcribed Text] On May 13 a group of supervisors from the Council of Europe [CE] (delegates of the Parliamentary Assembly of the Council of Europe), which arrived in Belarus for the period of holding parliamentary elections and a national referendum intended to meet representatives of the national mass media to hear from them how the forthcoming elections are covered by the press. However, the National Press Centre, that was to organize the meeting, did not understand the intention of the CE experts and invited mainly foreign journalists accredited in Minsk.

As is generally known, the representatives of the CE arrived in Belarus for the supervision of the course of the preelection campaign and elections to the Supreme Soviet. On the basis of their conclusions about the degree of democratism in Belarus a decision about the admittance of Belarus to the permanent members of the Council of Europe will be taken in the future. Unfortunately, at the meeting the Belarusian mass media was represented only by four journalists. As a result the meeting was not fruitful.

According to the leader of the group, Mr Jean-Pierre Berge, in order to have a clear view of the situation in the Belarusian mass media on the eve of the elections, and to assess the degree of their democratism, they should meet the leadership of the Belarusian State Television and Radio Broadcasting Company, as well as representatives of the independent and opposition mass media. In addition, the meeting should not have been attended by unauthorized persons, as the conversation was supposed to be held in a confidential atmosphere.

As Mr Jean-Pierre Berge declared, such an attitude towards supervisors from the Council of Europe may influence the further relations of Belarus with this authoritative international organisations and, consecutively, adjourn the admittance of Belarus to the Council of Europe.

On May 14 the CE experts plan to be divided into five groups in order to visit various regions of the country.

Reportage on 14 May Parliamentary Elections**Preview of Elections**

MM1205182495 Moscow KRASNAYA ZVEZDA
in Russian 13 May 95 p 2

[Report by Valeriy Kovalev: "It Is Still Not Known Who Will Win.... Elections to Belarusian Supreme Soviet Take Place in Republic 14 May"]

[FBIS Translated Text] Minsk — The rivalry for seats in parliament is extremely fierce — 2,348 people are running for 260 seats, nine people for each seat on average. So, matters will hardly be decided in a single round of voting and voters will evidently have to go to the ballot boxes once again 28 May.

There are plenty of predictions regarding the results on the eve of the elections, very diverse ones at that. But there is every indication that the main battle will unfold between representatives of the two most powerful election blocs — the right-wing bloc, whose basis is formed by candidates from the Belarusian People's Front and their spiritual allies, the national-radical parties, and the left-wing bloc led by the communist party.

Needless to say, analyzing the content of all the election programs is an impossible task. However, some conclusions can nonetheless be drawn. In their campaign for votes, right-wing and right-centrist forces have placed the main emphasis on fierce criticism of Belarusian President Alyaksandr Lukashenka's policy. He has come particularly under fire for his determined moves toward extensive integration with Russia, viewed by his opponents as no more than attempts to "surrender Belarusian state sovereignty." It is easy to predict that, should these forces be successful in the elections, it will by no means be easy for the president to implement his course of further deepening cooperation with Moscow. On the other hand, left-wing candidates have not concealed during the election campaign the fact that they support a close alliance with Russia and the other CIS countries. Aware of Belarusian voters' sentiments one may imagine that for this reason plenty of them will vote for representatives of the left-wing parties and movements. Nonetheless I think that none of the political forces will succeed in winning a victory in the Belarusian Supreme Soviet elections that will enable it to dominate the new parliament outright.

However, some observers are voicing misgivings that disillusioned voters may simply ignore the coming elections. Especially since even the republic's president said recently that he has no intention of going to vote since the new elected representatives will allegedly "be a disappointment all the same." But the first round of

elections will most likely go ahead. Since a republic-wide referendum is also scheduled for 14 May on matters that have well and truly aroused public opinion. Belarusian citizens are to express their view of the Russian language being given equal status with the Belarusian language, a new coat of arms and flag, the policy of integration with Russia, and the Belarusian president's being given the right to dissolve parliament early. The debate on these matters has been trenchant and animated and most voters will presumably take part in the plebiscite.

Parliamentary Election, Referendum Held

LD1405102795 Moscow ITAR-TASS in English
0956 GMT 14 May 95

[FBIS Transcribed Text] MINSK May 14 (Itar-Tass) — Belarus opened polling stations early in the morning today for its 7.53 million voters who are to elect the first new convocation parliament after the breakup of the USSR.

A national referendum is simultaneously held today on conferring to the Russian language an equal status with the Belarusian language, change of national symbols, economic integration with Russia and amendments to the constitution.

The referendum has been staged on initiative of Belarusian President Aleyaksandr Lukashenka, who insisted on adding the question concerning the amending of the constitution to empower the president to dissolve the parliament.

This item of the referendum has met fierce opposition in the present parliament and the Popular Front, a major political force.

After all the question has been put up for the referendum on terms that it be of "consultative character".

If the language, symbols and integration questions win a majority vote, Lukashenka will win in his drive for a closer union with Russia.

The question concerning the national symbols implies return of the Soviet-era colours to the Belarusian flag, although without the sickle and hammer.

The struggle around the referendum questions put into the background the election to Belarus's first post-Soviet parliament.

The present Supreme Soviet was elected in the USSR era, in 1990. All former Soviet republics had elected their national parliaments by that time.

The new parliament's 250 seats are sought by 2,348 candidates.

According to official statistics, 43 percent of candidates run as independents, and the rest on tickets of 14 parties.

Most of the candidates have been nominated by the Belarusian Communist Party and the Popular Front, a movement of national liberal opposition.

Opinion polls suggest that the two parties may win most of the vote. Forecasts give 12 percent of the vote to communists and nine percent to the Popular Front.

Other parties with chances to get parliament seats are agrarians, Democratic Party, social democratic movement Gromada and the Liberal Democratic Party.

President Lukashenka has dropped quite a hint that the parliamentary election was unimportant by saying that he would vote Yes in the referendum, but would cross names of any candidates for the parliament as "they will deceive anyway".

The polling stations will be closed at 22:00 local time today.

Preliminary results of the voting will be known overnight Monday.

Lukashenka on Voting, Referendum

*LD1405143295 Moscow INTERFAX in English
1323 GMT 14 May 95*

[FBIS Transcribed Text] MINSK, May 14 (Interfax-West) — If the population of Belarus supports the idea of granting the Russian language the status of a national language on a par with Belarusian during the national referendum, "no one will force the Belarusian language on schools and universities," Belarusian President Alyaksandr Lukashenka stated in a polling station. "A person has the right to decide on his own which language to speak," he said.

He also said that the results of the referendum "will provide the basis for political decisions." He noted, however, "that the main goal of the referendum is to decide which road the country should choose."

"Support for the policy pursued by the president - the policy oriented to integration with Russia - must in no way complicate Belarusian-Ukrainian relations," he said. Referring to his personal contacts with Ukrainian President Leonid Kuchma a few days ago, Lukashenka said that Kuchma shared the idea of Slavic unity.

He also announced that during the parliamentary elections he had not cast his vote for any of the nine candidates.

In his opinion, during the first round of voting not more than 20 percent of the deputies would be elected. He also said that according to the law, the Central Electoral

Commission is to determine the date of the second round not earlier than two weeks following the announcement of the results of the first round.

He said that his decree on granting equal opportunities to the candidates was frequently violated (the decree does not allow the candidates holding leading posts to use their official position or service cars during the election campaign - Interfax).

He also said that shortly, he would pass to the Central Electoral Commission materials on violations of his decree by some of the candidates who have got through to the second round. The Central Electoral Commission has every right to bar the said candidates from the second round, he said.

He also expressed concern about the position of the International Monetary Fund which had refused to extend Belarus a credit, although similar credits had been extended to Uzbekistan, Kazakhstan and Ukraine.

He expressed the conviction that the IMF's decision was politically rather than economically motivated. "Neither the U.S., nor Germany nor any other country will bring me down to the knees," he said.

He categorically rejected the possibility of holding a referendum on the extension of his powers.

Progress of Voting in Elections

*LD1405155395 Moscow ITAR-TASS in English
1515 GMT 14 May 95*

[FBIS Transcribed Text] MINSK, May 14 (Itar-Tass) — A total of 41.1 per cent of Belarus' electorate cast ballots in the parliamentary elections and a referendum by 14:00 local time on Sunday.

The heaviest turnout was reported in the Brest region — 48.5 per cent, the lowest in Minsk — 27.7 per cent.

Aleksandr Abramovich, head of the central electoral commission, told the BELINFORM news agency that the political activity of the residents of Minsk has been dwindling in the last few years.

Under the Belarusian law, elections are considered valid if at least 50 per cent of the electorate plus one attend the polls.

According to the central electoral commission, elections have been proceeding in strict conformity with the law. Only two irregularities have been reported, which Abramovich considers "quite normal."

He pointed out that no complaints have been lodged so far by major political parties whose members are monitoring the elections.

Elections, Referendum 'Both Good'

*LD1505053295 Moscow ITAR-TASS in English
0449 GMT 15 May 95*

[FBIS Transcribed Text] MINSK, May 15 (Itar-Tass) — Belarus's official news agency Belinform announced today that the Sunday elections to the parliament and the referendum on greater presidential powers and closer ties with Russia were both good.

According to the central electoral commission of Belarus, 64.5 per cent of all registered voters received ballots for voting on Sunday, May 14.

Turnout was highest in the Minsk region (69.5 per cent), while in the capital itself only 52 per cent of the voters came to the polls.

The elections were proclaimed not good in 29 out of 260 constituencies where less than one half of the registered voters went to the polls.

Interestingly, turnout was effective enough in the constituencies where Belarus's best known politicians ran for the parliament, including parliament speaker Mechyslaw Hryb, former speaker Stanislav Shushkevich, former chairman of the presidium of the Supreme Soviet of the Belarusian Soviet Socialist republic Georgiy Tarazevich, leader of the Belarusian popular front Zenon Poznyak, and Chairman of the popular accord party Gennadiy Karpenko.

It is not yet known whether any of the above politicians won the elections indisputably. It is now clear that Mechyslaw Hryb who ran in his home Dyatlovsk district of Grodno region scored 43 per cent of all votes and will run in the second round of elections scheduled for May 28.

Hryb Qualifies for Second Round

*LD1505060995 Moscow ITAR-TASS in English
0553 GMT 15 May 95*

[FBIS Transcribed Text] MINSK May 15 (Itar-Tass) — Belarusian parliament speaker Mechyslaw Hryb has won 43 per cent of votes in his native constituency in the Grodno region in the first post-Soviet parliamentary elections Sunday and has thus qualified for the second round of the polls to be held on May 28, according to preliminary results.

Polls were considered valid in most of the Belarusian constituencies, also including those where Soviet-era parliament chairman Georgiy Tarazevich, Popular Front head Zenon Poznyak and chairman of the Party of popular accord Gennadiy Karpenko were running. However, it is unclear so far whether any of them had ensured himself a victory.

Preliminary results showed that a total of 64.5 per cent of eligible voters had come to the polls. The heaviest turnout was reported in the Minsk region - 69.5 per cent, while the capital of Minsk had the lowest of 52 per cent.

Elections were not valid in 29 out of 260 constituencies where less than a half of voters had come to the polls, according to preliminary results.

2,348 candidates vied for 260 seats in the Belarusian legislature. 14 political parties took part in the polls in which 9-10 people were competing for a parliament seat on average.

The final election results are expected on Tuesday.

Electorate Backs President on Referendum

*LD1505061895 Moscow ITAR-TASS in English
0558 GMT 15 May 95*

[FBIS Transcribed Text] MINSK May 15 (Itar-Tass) — Belarusian voters have reportedly backed their President Alyaksandr Lukashenka on all the four questions of the nationwide referendum held Sunday [14 May].

According to preliminary results of the Central election commission released Monday, "most voters replied in the affirmative to all the four questions".

The questions included the granting to the Russian language an equal status with the Belarusian one, the introduction of new state symbols, integration with Russia and the right of the President to dissolve parliament "in case of systematic or a rude violation of the constitution".

The fourth question, in contrast to the first three, was not binding.

18 Legislators Elected in First Round

*LD1505084495 Moscow ITAR-TASS in English
0825 GMT 15 May 95*

[FBIS Transcribed Text] MINSK May 15 (Itar-Tass) — Only 18 out of 260 Belarusian lawmakers were elected in the first round of parliamentary polls Sunday, the central election commission told Tass Monday [15 May] quoting preliminary results.

The winners include, in particular, CIS Executive secretary Ivan Korotchenya, presidential aide Viktor Kuchinskiy, chairman of the control chamber Vasilii Sakovich.

Such a small number of winners can be explained by a rather low turnout and a big number of candidates. There were 9-10 people competing for each parliament seat.

The second round of elections is to be held on May 28 and will involve two leading candidates in each constituency.

They include, in particular, present and former parliament speakers, Mechyslaw Hryb and Stanislav Shushkevich, Soviet-era parliament chairman Georgiy Tarazevich, chairman of the Party of popular accord Gennadiy Karpenko.

Voting, Referendum Participation Detailed

*WS1505090495 Minsk Radio Minsk Network
in Belarusian 0700 GMT 15 May 95*

[FBIS Translated Text] The first thing that we would like to note is that the predictions by skeptics that neither the [14 May] elections nor the referendum would prove valid across the country were not borne out. Despite the hardships and difficulties of life in most of the districts, however, voters have displayed a high degree of activity and understanding of their responsibility for the homeland's future — although not everywhere. This is evidenced by preliminary and unofficial results of the voting, which were reported late in the night to the Belarusian Central Commission for Holding Elections and National Referendums. Those figures are as follows: A total of 64.5 percent of the electorate participated in the voting throughout the Republic — a figure much higher than required to declare the elections and referendum valid. The highest participation was reported in Minsk and Brest Oblasts, where 69.5 percent and 69.1 percent of voters, respectively, registered on the secret ballot lists, participated in the voting. As for other oblasts, the results are as follows: Vitsebsk Oblast — 66.7 percent, Homel Oblast — 66.6 percent, Hrodna Oblast — 65.2 percent, Mahilyow Oblast — 64.0 percent, and the city of Minsk — 52.2 percent.

At the same time, according to the same preliminary unofficial information reported to the Central Commission, in 29 out of 226 [electoral] districts, the elections have been deemed invalid. This is a pretty serious symptom. Let us remind you that these were the preliminary and unofficial results, while the final outcome will be reported later. It has already been noted by the Central Commission, however, that the second round of elections to the new Supreme Soviet has yet to be conducted. It will be held on 28 May. As for the referendum, specialists from this commission stated that it has been deemed valid.

There is one more circumstance, dear listeners, to which we would like to draw your attention. Both the elections and referendum attracted great interest in the international community. This is evidenced by the number of foreign observers accredited by the Belarusian Central

Commission for Holding Elections and National Referendums — as many as 200 individuals. They include representatives of such international organizations as the CSCE [as heard], the Parliamentary Assembly of the European Council, the European Parliament, the EU, and the NATO Parliamentary Assembly, as well as representatives of the United Nations in our Republic and a number of foreign states, including the United States, Great Britain, France, Germany, Poland, Bulgaria, Lithuania, Latvia, the CIS, Russia, Ukraine, Kazakhstan, Moldova, and Georgia.

The Central Commission will today hold a news conference devoted to the results of the elections and referendum. It is scheduled for 1200 GMT.

Lukashenka on Outlook for New Parliament

*WS1505100195 Minsk BTK Television Network
in Belarusian 1800 GMT 14 May 95*

[Video report by I. Sushkevich and V. Sorkin — correspondents identified by caption]

[FBIS Translated Text] President Alyaksandr Lukashenka cast his vote in the 16th constituency [in Minsk] today. He did not conceal his positions from Belarusian and foreign journalists who rushed to the president after he placed his ballot in the polling box. Regarding the elections, the head of the Republic did not vote for any of the candidates, because, according to his own words, he was not familiar with their platforms. Incidentally, Lukashenka emphasized, in their campaigns the candidates should have placed their stakes not on the media, but directly on work in their constituencies.

As of today, facts of violating the presidential decree on equal opportunities in the elections have been discovered, even including candidates from the presidential vertical structure. Second, there were documented cases of certain deputies being financed by financial structures. The Belarusian president believes that the guilty parties will be prevented from participating in the second round.

The president voted in favor of all four questions proposed by him in the national referendum. He underscored that the first three are important for the nation, while the fourth is more of a consultative nature.

Answering the question of whether the new parliament is going to be oriented toward the president, Lukashenka said:

[Begin recording, in Russian] [Lukashenka] Regardless of what parliament is elected, it will not be oriented toward the president. Parliament, as any other organ,

wants to have a definite share of power. Our parliament is unable to concede the fact that the absolute power of soviets has been terminated. The Constitution has determined and, roughly speaking, cut off a piece of power, granting it to the president, while they have been left with the power to pass laws and oversee their implementation, and that is all.

[Unidentified correspondent] There is a fierce struggle going on between parties and movements. Will it be possible for the future parliament to work in unison?

[Lukashenka] It is necessary for the parliament to hold debates, and they will hold debates there. The main thing, however, is that the deputies have to remember what they have promised to the people and implement those policies for the sake of the people.

Regarding the second part of your question, which stresses the fact that society is split into political camps, forces, etc., this will depend on the orientation of the people entering parliament. God forbid the new parliament be primarily comprised of two forces: the Belarusian Popular Front and the Communists.

[Correspondent] What are your predictions?

[Lukashenka] I think that these elections will be difficult, but, as a result, the parliament will be joined by people politically nonaligned, because 43 percent of the candidates have no party affiliation. It is hard to say what policy will be pursued by parliament. May God help them conduct a people's policy. Then we will always find understanding and common language with parliament. [end recording]

Electorate Backs President in Referendum

LD1505105895 Moscow ITAR-TASS World Service
in Russian 1002 GMT 15 May 95

[By unidentified BELINFORM-TASS correspondent]

[FBIS Translated Text] Minsk, 15 May — The referendum proposed by Belarus President Alyaksandr Lukashenka has been valid. According to the data received by a BELINFORM-TASS correspondent at the Central Electoral Commission today, 64.9 percent of the electorate voted on the questions of the referendum.

The republic's citizens backed the head of state on all four issues. The following answers were given to the questions asked in the referendum:

1. Do you agree to giving the Russian language an equal status with Belarusian? — 83.1 percent of those who took part in the voting said yes.

2. Do you support the proposals to introduce a new state flag and state emblem for the Republic of Belarus? — 75.0 percent voted yes.

3. Do you support the actions of the president of the Republic of Belarus aimed at economic integration with the Russian Federation? — 82.4 percent said yes.

4. Do you agree that it is necessary to introduce changes in the Constitution of the Republic of Belarus to provide the president of the Republic of Belarus with the right to terminate early the mandate of the Supreme Soviet in the event of systematic or gross violation of the Constitution? — 77.6 percent said yes.

Under existing legislation, the referendum is deemed valid if over one half of the electorate included on the electoral roll take part in it. For a decision to be passed it has to receive 50 percent of the votes of those who take part in the referendum plus one vote. The first three questions are binding and to the fourth one consultative.

Lukashenka: 'No Loss of Sovereignty'

WS1505094795 Minsk BELAPAN in English
0900 GMT 15 May 95

[FBIS Transcribed Text] President Alyaksandr Lukashenka has defined the first three questions put to the national referendum as extremely important. The Slavic unity, according to the President's conviction, "is the most topical question of our life." As the President declared, the economic integration with the eastern neighbour may be followed by a political integration, true, "if the Belarusian people demands this." In this case, according to Mr Lukashenka, the new union "will be closer than the union which existed before 1991". The President declared that one should not fear that Belarus will say good-bye to its sovereignty. "I am its guarantor. And the Republic will never lose its sovereignty," he said.

Moldova

Sangheli Flies to Russia To Discuss Gas Supplies

LD1405180095 Moscow ITAR-TASS in English
1743 GMT 14 May 95

[FBIS Transcribed Text] CHISINAU, May 14 (Itar-Tass) — A Moldovan official delegation led by Prime

Minister Andrei Sangheli left for Moscow on Sunday [14 May] to seek closer cooperation with Russia in gas industry.

The delegation particularly intends to discuss prospects for establishing a Moldovan-Russian joint stock company, Gazsnabtranzit, to ensure steady gas supplies to Moldova and increase gas exports to Romania, Bulgaria and Turkey via Moldova.

With the world price of gas at 80 U.S. dollars per 1,000 cubic meters, this will enable the republic to buy Russian natural gas at only 58 U.S. dollars.

The founders of the new joint stock company are expected to be Moldovatrangaz, Tiraspoltrangaz and Moldovagaz for Moldova, and Russia's Gazprom.

Sangheli Discusses Joint Venture

LD1405144395 Moscow INTERFAX in English
1329 GMT 14 May 95

[FBIS Transcribed Text] CHISINAU, May 14 (Interfax) — Moldovan Prime Minister Andrei Sangheli will come to Moscow today to continue talks with Russia's Gazprom joint stock company on delivery of Russian gas to Moldova.

Interfax learned that the parties were going to sign an agreement on creating the Russian-Moldovan Gazsnabtranzit joint venture. The joint venture will ensure non-stop gas supply by a pipeline going to West Europe though Moldovan territory.

The joint venture will be founded by Russia's Gazprom and Moldova's Moldova-Gaz state concern. The joint venture's charter capital is expected to be 400 million lei (\$92 million). The Gazprom will have a 60 percent stake in the joint venture and will be represented by a part of the Moldovan debt for consumed natural gas which, according to some sources, exceeds \$300 million.

A source in the Moldovan authorities told Interfax that Chisinau would assume to pay for serving the gas pipeline. Furthermore, Moldova will pay the debt for energy supplies to Moscow by delivery of agricultural products and with the help of the Russian government's credit worth \$70 billion rubles earlier granted to Moldova under the security of 70 percent of shares of 11 Moldovan wine-producing factories.

Russia is going to enlarge the transit network of pipelines in Moldova in order to raise natural gas export to the Balkans from 18 billion cubic meters in 1994 to 36 billion cubic meters in 1995.

Russia is delivering gas to Moldova by two export pipelines, one of them goes through north Moldova

to Central Europe and another one — through south Moldova to South Europe.

Russia delivered to Moldova about 3 billion cubic meters of gas in 1994.

Lebed Questions Grachev Decision on 14th Army

LD1205162495 Moscow Mayak Radio Network
in Russian 1309 GMT 12 May

[Correspondent Yuriy Selivanov report from Tiraspol]

[FBIS Translated Text] I am reporting literally from the news conference being held in Tiraspol by Lieutenant General Lebed, commander of the 14th Army — the news conference is already drawing to a close, and I will try to briefly convey its main content. General Lebed made his statement in connection with the decision made the other day to reorganise the staff of the 14th Russian Army. In this case this decision is not appropriate for to the situation which has arisen in the Dniester region and around it. Lebed stated in particular that he has ceased to understand the actions of the Russian defense minister, who had signed this directive and made the decision. General Lebed believes that, evidently, the situation is being incorrectly reported to the Russian president and, correspondingly, he is forced to make this kind of decision.

Talking about the situation which is facing his army, Lebed stressed that in the situation where a huge quantity of armaments, including 2,600 trucks of ammunition at army stockpiles, and also about 500 trucks of explosives are located here, it is simply foolish to make a decision on reorganising the administration of the 14th Army. General Lebed believes that in this case it can be said that the Russian leadership is not learning the appropriate lessons from the situation that has developed in Chechnya, and which he believes could be repeated in the Dniester region. General Lebed believes in particular that an explosive situation is developing here, and, as is his belief, in these conditions, making a decision to reorganise the army, or even worse, withdraw it, is simply foolish.

Aleksandr Ivanovich Lebed also stated that in his view the Russian leadership, in particular the corps of deputies, is not devoting sufficient attention to his army. In particular he accused Federation Council Chairman Shumeyko, who, when in Moldova, just did not find the opportunity to visit his army.

And the last thing I have to tell you; in reply to my question as to whether he intends to take part in Russia's political life, in particular in the forthcoming election campaign. General Lebed said that this is now not specifically part of his plans, because being in his post

of commander of the 14th Army he sees a huge volume of work and great problems in this explosive situation, and in these conditions he does not believe he is entitled to leave the army and abandon this region. That is to say, at the present stage he is not planning to participate in Russia's political life in any shape or form. That is the main news from the news conference in Tiraspol.

Lebed on Threat of Conflict Over Stockpiled Weapons

LD1205171895 Moscow ITAR-TASS World Service in Russian 1456 GMT 12 May 95

[By ITAR-TASS correspondent Vladimir Demidetskiy]

[FBIS Translated Text] Chisinau, 12 May — Lieutenant General Aleksandr Lebed today confirmed the statement he made on 11 May in an interview with the ITAR-TASS correspondent that he does not intend to resign from the post of commander of the 14th Army. The general said he is counting on common sense prevailing in connection with the army's reform. At a news conference in Tiraspol today Aleksandr Lebed reiterated his disagreement with the Russian Federation Defense Ministry's directive on reforming the administration of the 14th Army.

He said this would decapitate the administration of the troops stationed in the conflict zone of the Dniester region and would create the threat of the weapons and ammunition stockpiled there being stolen, and, in the final analysis, of a renewal of the conflict which would develop into a kind of war over dividing up the weapons.

We have every reason to claim that the mafia structures in the local Dniester region leadership are already preparing for this and I think that the Moldovan leadership will take countermeasures. He showed the journalists laws and decrees of the Dniester region leadership providing a legal basis for the capture of

the 14th Army's weapons and ammunition. A. Lebed believes that the army, which has been weakened by more than one cut, will not be able to resist this, and weapons from the Dniester region will flow directly to Chechnya, Abkhazia, the Crimea, and other "troublespots." General Lebed noted also that more than two-thirds of the weapons captured during the Dniester region conflict had already been sold to "troublespots" by the Dniester region's authorities.

General Lebed stated that to a large degree he remains in the post of commander because he does not want such a development. He stressed that he does not understand "the reforms" which Russia's Defense Minister Pavel Grachev is carrying out in the army and believes that the truth about the deplorable state in the Russian troops is being concealed from Supreme Commander in Chief Boris Yeltsin.

Lebed believes that the Dniester conflict can be resolved only if a decision is found which suits all the sides involved. Until that happens, removing the 14th Army from the region would be foolish as this is the only structure that is capable of keeping the situation stable there, the general believes. In this connection A. Lebed criticized some Russian politicians, in particular Federation Council Speaker Vladimir Shumeyko, "who make frivolous promises to withdraw the troops, without having thought this through."

Touching on his participation in politics, A. Lebed stressed that, at present, he is in his post as army commander and is not engaging in politics.

Snegur Acclaims Democratic Nature of Elections

AU1405133095 Chisinau INFOTAG in English 1938 GMT 12 May 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 12/5/1995 — Moldovan President Mircea Snegur has stated that the recent local elections signified that "the country made one more firm step on its path of democratic reforms".

Speaking at today's ceremony of confirmation of new city mayors and chairmen of area executive committees, the head of state pointed out that "the first local elections held in the multi-party framework and in accordance with the new Constitution have definitely

demonstrated the irreversibility of democratic transformation in our society".

In his opinion, there are grounds to presume that "we can now advance more in building a truly democratic society, in supporting the political stability in Moldova, and in providing favorable conditions for implementing economic reforms with as few losses and drawbacks as possible".

Snegur emphasized that the fulfillment of the tasks will largely depend on the competence and professionalism

of those who received the people's mandate of confidence. He called the newly-elected local bosses to demonstrate in deeds their high culture, including political one.

He reminded that local leaders bear full responsibility, first and foremost, for observance of basic human rights in the localities, and also for fulfillment of laws, parliament's resolutions, presidential decrees, governmental instructions, and other regulatory enactments.

Kazakhstan

France's Juppe Reassures on Security Guarantees

LD1305101095 Almaty Kazakh Radio First Program Network in Russian 1400 GMT 12 May 95

[FBIS Translated Text] Foreign Minister Kasymzhomart Tokayev received a personal message from French Foreign Minister Alain Juppe. It says that France fully understands the reason Kazakhstan attaches importance to the issue of security guarantees being given by the nuclear powers, and highly appreciates the great contribution our country has made in fighting the proliferation of nuclear weapons. This has been clearly proved by Kazakhstan's adherence to the Nuclear Nonproliferation Treaty.

The French foreign minister welcomes the statement by the Kazakh Foreign Ministry, which positively assesses UN Security Council Resolution No. 984 on security guarantees by the nuclear states to the nonnuclear states and participants in the Nuclear Nonproliferation Treaty, and at the same time draws the Kazakh side's attention to the French Government's statement on security guarantees to the nonnuclear states, which was made on 6 April at the Geneva conference on disarmament.

Alain Juppe stresses that the guarantees also concern Kazakhstan. In case of aggression with the use of nuclear weapons or a threat of such an aggression, France commits itself immediately to apply to the UN Security Council with the aim of taking urgent measures to render UN assistance.

Toqayev, Iranian Minister Discuss Caspian Sea

LD1405094695 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0230 GMT 14 May 95

[FBIS Translated Text] Issues related to Tehran and Almaty and the legal regime for the Caspian Sea were reviewed in a meeting yesterday between the Iranian deputy foreign minister and the Kazakh foreign minister.

According to a report by IRNA from Almaty, Kazakh Foreign Minister Qasymzhomart Toqayev emphasized at the meeting that the consolidation of the Caspian Sea situation and the choosing of new cooperation methods for all the littoral states of that sea are among the issues Kazakhstan seeks to pursue.

Deputy Foreign Minister 'Abbas Maleki, the report says, described the relations between the Islamic Republic of Iran and Kazakhstan as good and explained Washington's recent efforts to impose an economic sanction against Tehran. The Kazakh foreign minister empha-

sized that Almaty considers its relations with Tehran as most important.

Further on Caspian Sea Discussions

LD1405204995 Tehran IRNA in English 2032 GMT 14 May 95

[FBIS Transcribed Text] Almaty, May 15, IRNA — Kazakhstan has chosen Iran as its major trade partner among countries of the Caspian Sea littoral, Kazakh Foreign Minister Qasymzhomart Toqayev told visiting Iranian Deputy Foreign Minister for Research and Training Affairs, 'Abbas Maleki here on Saturday [13 May] night.

He said his country was willing to benefit from Iran's expertise regarding the legal status of the Caspian, the world's largest inland sea.

Toqayev added that his country is to study the situation in the Caspian Sea and adopt new ways of cooperation among the five Caspian states - Iran, Kazakhstan, Russia, Azerbaijan and Turkmenistan.

He official termed as "favourable" Tehran-Almaty relations and said that he would soon pay an official visit to the Iranian holy city of Mashhad (Khorasan) May 27-28 to inaugurate the Kazakh consulate.

The Kazakh foreign minister said his country attached great significance to its "friendship" with Iran and expressed hope that bilateral relations would further expand.

The two sides at the meeting also discussed various issues concerning fishery, shipping, environment protection and making use of the Caspian Sea beds.

Maleki for his part briefed the Kazakh official on the importance of Iran's ties with other countries in view of the recent U.S. trade embargo against the Islamic Republic.

Deputy foreign ministers of five Caspian Sea littoral states, including Russia, Iran, Kazakhstan, Azerbaijan and Turkmenistan have gathered here to take part at a seminar on clarifying legal status of the Caspian Sea and prospect of cooperation among Caspian Sea littoral states on Monday.

Iranian ambassador to Almaty, Rasoul Islami, was also present at the meeting.

Nazarbayev Leaves on State Visit to South Korea

LD1505064395 Moscow ITAR-TASS World Service in Russian 0623 GMT 15 May 95

[By ITAR-TASS correspondent Vladimir Akimov]

[FBIS Translated Text] Almaty, 15 May — Kazakh President Nursultan Nazarbayev left today for a four-day state visit to the Republic of Korea at the invitation of President Kim Yong-sam.

The parties will exchange opinions on current international problems and will examine the situation in the Asian region during their high-level talks. The Kazakh and Korean leaders will also discuss ways of further deepening and expanding bilateral cooperation and other issues of mutual interest.

The Kazakh president will meet with representatives of Korean business circles. He will visit a number of large industrial enterprises, including the DEU car factory and POSKO metallurgical complex. There are plans to sign a number of documents aimed at laying down a reliable legal basis for the two countries' relations.

Prime Minister Resolves To Repay Foreign Credits

LD1505113395 Almaty PANORAMA in Russian 13 May 95 p 1

[FBIS Translated Text] On 4 May Kazakhstani Prime Minister Akezhan Qazhygeldin signed a resolution with a formidable content. According to the resolution, "in connection with the accumulation in the republic of debts to foreign creditors, payment of which have been delayed through the fault of the home borrowers, and the need to consider the personal accountability of the heads of the enterprise and organization," and with a view to finding resources for clearing the liabilities, a government commission has been set up. It is headed by First Deputy Prime Minister Nyghmetzhan Yesengharin (the deputy heads of the commission are Finance Minister Aleksandr Pavlov and Marat Ospanov, the chairman of the commission on the use of foreign capital at the Cabinet of Ministers).

The commission has a long name — on ensuring the clearing of delayed liabilities by debtor-enterprises on utilized foreign credits — and includes the heads of the Ministries of the Economy, Justice, Internal Affairs, the committees on financial control and management of state property, and several banks.

By 20 May the group has to submit to the Cabinet of Ministers draft regulations on the procedure of recovering the debts, on the accountability of the heads of enterprises and organizations, and defining solvent legal successors to privatized and reorganized entities. The Export-Import Bank of the Republic of Kazakhstan is

defined as the commission's working body. The resolution instructs banks to suspend consideration of new projects presented by ministries, departments, enterprises, and organizations that have caused delays in settling liabilities on foreign credits. The commission's resolutions concerning the repayment of the credits will be compulsorily executed by all aforementioned entities.

The new commission is to give a monthly report to the government.

Agreement Ratified With IBRD on Oil Industry

LD1205170395 Almaty Kazakh Radio First Program Network in Russian 1400 GMT 12 May 95

[FBIS Translated Text] The president of the Republic of Kazakhstan has by decree ratified an agreement between the Government of the Republic of Kazakhstan and the International Bank for Reconstruction and Development [IBRD] on allocating a loan for the implementation of a project of technical assistance to the oil industry, which was signed on 6 December 1994 and envisages granting a credit worth \$15.7 million.

The decree comes into force on the day of its promulgation.

Toqayev on 'Enlightened Authoritarianism'

LD1205190195 Moscow INTERFAX in English 1628 GMT 12 May 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, May 12 (Interfax) — Qasymzhomart Toqayev, Kazakh Foreign minister, believes "enlightened authoritarianism" is characteristic of the political systems of most Central Asian states, including Kazakhstan.

In an interview with Irina Bektiyarova, Interfax Almaty correspondent, Friday he said that "economic reforms in the countries of the region go ahead of the political ones and are led under those states leaders' control."

The minister said "in the present situation it is necessary first of all to 'drag out' the economy, thus creating conditions for the flowering of political institutions. This is a distinguishing feature of the absolute majority of states with Asian specificity."

According to Toqayev, "Kazakhstan is going its own way and does not intend to thoughtlessly copy anyone." "However, we have never refused to study or, when useful, to adopt our neighbors' methods."

He underlined that "President Nursultan Nazarbayev is the guarantor of both economic and political reforms in Kazakhstan."

"This was confirmed by the referendum results. Almost all who came to the polling stations (91% of those with the right to vote), regardless of nationality, have demonstrated an understanding that no other person could ensure peace and stability for the multinational Kazakhstan."

Referring to the U.S. secretary of State Warren Christopher's statement that the referendum means a "step back" in the development of democracy in Kazakhstan, Toqayev said "it was made in order to outline American position on the referendum, but there is nothing more to it. I believe Washington understands the importance of stability in the republic which is key to the region of Central Asia. In certain circumstances it is necessary to put economic reforms first."

The foreign minister quoted "many political analysts, including some Western ones," as saying that "in the field of economic reform Kazakhstan is the most advanced state in the region." "The referendum, which was held instead of elections did not alter that view. This is a good sign."

Toqayev elaborated on ethnic relations in Kazakhstan saying that "an accord between nationalities is issue number one for the country. That is why Nazarbayev set the task of nipping all nationalism, be it Russian, Kazakh or any other, in the bud, for the sake of maintaining peace in the republic."

Among the most important measures to attain that goal the minister cited Nazarbayev's proposal to elevate the status of Russian in order to make it an official language, "insuring, at the same time, that Kazakh be properly learned."

National Political Movements Examined

954F2272A *Almaty EKSPRESS-K in Russian*
11 May 95 p 3

[Part one of article by Alibek Kuandykov, candidate of sociological sciences, and Yermek Amanshayev: "Kazakhstan's Current Political Space and Kazakh National-Political Movements"]

[FBIS Translated Text] The posttotalitarian political and semantic space has been abundant soil for the birth of national-patriotic movements and the corresponding trends. The ideological vacuum which formed as a result of "perestroika" and the dismantling of the unified party and state structure was filled in a very short space of time with ideas, invocations, and appeals expressing national interests.

It was in this historical field, when age-old values had been rejected and new ones had not yet taken shape, that the Zheltoksan Social Committee announced its presence in September 1989. Zheltoksan's original program statement was connected with the moral and material rehabilitation of the citizens who had suffered in the events of December 1986. At the same time the Zheltoksanites employed other slogans popular among the people also: proclamation of the sovereignty of the Republic of Kazakhstan and abolition of the sovereign Communist Party, the KGB, and so forth. But from the very start of its activity this movement was distinguished by the patchwork nature of its social base, the diversity of the social groups in sympathy with it, and the absence of precise organizational structures and financial sources of existence.

The genesis of Zheltoksan was accompanied by ups and downs. As the results of a poll of the end of 1990 showed, the committee's activity was supported by 21 percent of the population of the republic. In this same period a poll of experts and respondents showed that 78 percent and 67 percent respectively were knowledgeable as regards the activity of various parties and movements, Zheltoksan included.

In its creation period Kh. Kozha-Akhmet and A. Nalibayev declared self-disbandment in the event of satisfaction of their demands. But in May 1990, on the initiative of the grassroots organizations Azamat, Adilet, Akikat, Zheruyuk, Kausarbulak, and Forum, a constituent congress was convened; it adopted a declaration on the creation on the basis of the Zheltoksan Social Committee of a new national democratic party—Zheltoksan—and elected an 11-man coordinating council. Approximately 80 delegates from the city of Almaty and Almaty, Akmola, Aktyubinsk, East Kazakhstan, and Kyzyl-Orda Oblasts and guests from Kyrgyzstan, Uzbekistan, Moscow, and other regions of the former USSR were present at this constituent congress.

In October 1992 the Zheltoksan Social Committee and the radical wing of the GDK [Citizens' Movement of Kazakhstan] Azat and the Azat Party held a joint congress and announced the creation of a new republic party—Azat. But a leader of Zheltoksan, A. Nalibayev, together with his sympathizers, broke away from the National Democratic Party and in September 1992 formed the Zheltoksan Social Movement, considering it the successor of the former Zheltoksan. In turn, Kh. Kozha-Akhmet reconstituted the Zheltoksan Committee and occupied a similar position.

Objectively, the split in Zheltoksan was caused not by the ideological differences of its leaders inasmuch as the program propositions and statutory tasks of the commit-

tee and the social movement were not mutually contradictory and were, with the slight exception, identical even. It was a question of a struggle for power and a sphere of influence. It is no secret that Nalibayev had channeled the activity of the Zheltoksan movement into the solution of apartment problems, and Kozha-Akhmet needed an opportunity for self-fulfillment as a politician.

The decree of the Supreme Soviet of the Kazakh SSR "Findings and Proposals of the Commission Conclusively Evaluating the Circumstances Connected With the Events in the City of Alma-Ata 17-18 December 1986" was issued in September 1990. This was followed by the edict of the president of the Republic of Kazakhstan "Rehabilitation of the Citizens Arraigned for Involvement in the Events of 17-18 December 1986 in Kazakhstan." The administration of the city of Almaty formed a special commission to study the housing problems of persons recommended by the Zheltoksan Social Movement. All these factors influenced the radical nature of the Zheltoksanites and transferred their sociopolitical demands into a rhythm more acceptable for society.

There are at the present time two registered political entities going by the name of Zheltoksan: the Zheltoksan National Democratic Party led by Kh. Kozha-Akhmet and the Zheltoksan Social Movement. The activity of the first has become less noticeable in the political life of the republic on account of the switch of the political energy of its leader, Kh. Kozha-Akhmet, to the GDK Azat. And the Zheltoksan Social Movement exists today at the political club level.

Following the adoption of the Declaration on the Sovereignty of the Republic of Kazakhstan of 25 October 1990, a distinctive ethno-political situation, which prompted the political parties and movements to a new level of conceptualization of what was happening, took shape. In the light of the new historical reality all parties and movements without exception revised their political slogans and programs, and the trend of a transition from spontaneous actions to civilized methods of political struggle emerged.

Tracing the entire path of development of the national political movement in Kazakhstan, it is not hard to see that throughout the past five or six years the epicenters of events and a kind of motor of ethno-political actions have invariably been representatives of the Kazakh intelligentsia, although the parties and movements in whose fortunes they have been involved have frequently changed their names, disintegrated, reorganized, and reunited. These have been S. Akatayev, Kh. Kozha-Akhmet, Zh. Kuanyshalin, K. Ormantayev, M. Tatimov, A. Nalibayev, and K. Asanov and, later, B. Darimbetov,

A. Kadyrbayev, and others. It was they who sponsored the creation in September 1989 of the Zheltoksan Social Committee (Kozha-Akhmet, Nalibayev), and in July 1990, the Azat Citizens' Movement (Akatayev, M. Chormanov, Kuanyshalin, Tatimov, and others).

This circumstance emphasizes that in a society in which the facets of social groups and classes have not conclusively crystallized out and a social and political elite, as the spokesman for their interests, has not taken shape and in which class traditions are absent also, the natural spokesman for the needs and aspirations of the people and the exponent of progressive, radical ideas is, rightly, the intelligentsia.

The constituent conference of the Azat Citizens' Movement took place on 1 July 1990; it adopted the "Declaration of Basic Purposes and Principles of the GDK Azat." It was registered as a political entity with the Ministry of Justice of the Republic of Kazakhstan on 25 December 1991. The rules and program were adopted at the first congress on 5 October 1991. Since October 1990 it has had as its press organ the newspaper AZAT. From the very first days the editorial team was headed by the philologist B. Darimbetov, candidate of philological sciences. In the period of its formation the activity of the GDK Azat was directed by seven cochairmen, of whom only M. Chormanov and S. Akatayev had real power and an opportunity of influencing the movement's further policy. The lack of political experience of the organization of party work took its toll, and the GDK Azat split shortly thereafter. The constituent conference of the new Azat party was held in September 1991. Approximately 300 delegates from various oblasts, who constituted the backbone of the parliamentary-type party—the Republican Party of Kazakhstan (RPK)—took part in the conference. The party rules and program were adopted at this conference also, and S. Akatayev was elected chairman.

A unification congress with the participation of the GDK Azat, the RPK, and the Zheltoksan National Democratic Party of Kazakhstan was convened in October 1992. But there was no merger into a unified party (which some of the organizers had sought), although a new formation—the Azat Republican Party of Kazakhstan (RPK Azat)—appeared on the political map of the republic following the results of the congress. Professor K. Ormantayev, corresponding member of the Republic of Kazakhstan National Academy of Sciences, was elected chairman of the RPK Azat, Kh. Kozha-Akhmet, his first deputy, and Zh. Kuanyshalin, adviser.

Shortly after, the Republican Party of Kazakhstan (RPK), having expressed disagreement with the decisions of the unification congress, held its own

congress, which conclusively confirmed as chairman S. Akatayev. As a result of the split, leadership of the GDK Azat passed in October 1993 into the hands of Kh. Kozha-Akhmet.

It should be noted that with the accession to the leadership of Kh. Kozha-Akhmet the GDK Azat has stepped up its activity noticeably. Formed originally in opposition to the effective government, the GDK Azat is actively implementing this program.

The elections to the Supreme Council of the Republic of Kazakhstan in March 1994 laid bare more than ever the current problems in the political and organizational existence not only of the GDK Azat but of other similar parties and movements also. Of all the national political leaders who ran for deputy of the Supreme Council, only Kuanyshalin defeated his competitors and became a member of the Supreme Council of the Republic of Kazakhstan for Aktyubinsk Oblast's AYTEKEBINSKIY Electoral District No. 26.

Questions in Forged Securities Case Remain

954F2271A Almaty KARAVAN in Russian 11 May 95
No 19, p 3

[Report by Gennadiy Benditskiy under the rubric "Continuing the Topic": "The Case of Forged National Bank Guarantees: Questions Without Answers"]

[FBIS Translated Text] It appears the charges against the IIBI company's director, leveled for the first time at the 21 March press conference by top officials of the general procuracy, the KNB [National Security Committee], and the National Bank (you may recall that this was the first report of a large-scale swindle involving forged National Bank guarantees), proved somewhat premature. At least, so far nobody is coming close to untangling this truly grandiose swindle.

For instance, one of the chief suspects detained in this case—Russian citizen Eduard Kesayev, director of the British firm IIBI—maintains that everything that is happening to him is either an investigative error or a well-planned provocation against him.

According to investigative organs' official version, it was the IIBI that organized and executed the swindle that resulted in 20 National Bank guarantees totalling \$2 billion. It should be noted that according to investigative organs, these guarantees were issued against the collateral of Kazakhstan's gold and foreign currency reserves. One can just imagine the damage this swindle would have caused our national economy had it succeeded.

Eduard Kesayev, currently being held in a KNB preliminary detention facility, flatly denies, however, the role

attributed to his company in this matter at the March press conference. He believes that the general procurator and the KNB chief jumped ahead of judiciary organs' conclusions. Besides, it turns out that Kesayev is able to challenge the validity of the information made public at the press conference. For instance, the contention of KNB chief Sat Tokhlakbayev that IIBI exists only on paper and the addresses shown in the company's particulars are fake. According to Kesayev, special procuracy investigators have in their possession documents showing that IIBI has been in business since 1985. The same documents show that IIBI's registration address is actually the address of the British law firm Everd Levis Solicitor, which acts as IIBI's treasurer, keeps the company's books, writes contracts, and ensures correct withholding of taxes. The arrested IIBI director maintains that his company has quite real addresses: One is a four-story office building in London, another—a six-story building in Salzburg (Austria), which houses, in addition to IIBI, a score of private companies, as well as the Portuguese consulate. In short, according to Kesayev, not one fraud mentioned at the press conference actually exists.

In addition, says Kesayev, as of 1 January 1995 IIBI's assets amounted to \$656 million. Plus the \$2 billion IIBI manages as a trustee. It seems to us that it should be easy to check the firm's possession of such huge amounts. But if the contentions of the IIBI director, who is sitting in the KNB preliminary investigation facility, are confirmed, Kesayev's financial wealth will have to be somehow reconciled with the image of crook now attached to him....

It appears, though, that the investigative organs are in no hurry to listen to the opinion of the IIBI director, arrested on suspicion of committing a crime. Yelena Krolevets, Eduard Kesayev's attorney, maintains that in the two months her defendant has been in the detention facility, he has not been interrogated even once.

There is an aspect in the case of National Bank guarantees that for some reason was modestly glossed over at the press conference. We learned that one of the items in the file is contract No. 24315, dated 10 December, signed by Kesayev and Republic of Kazakhstan Deputy Minister of Finance Anatoliy Baranov, which envisages the issuance of National Bank guarantees to IIBI. If this document exists and is genuine, it means that the "uncovered grandiose swindle involving guarantees" had the blessing of the Ministry of Finance's leadership, and Kesayev, as he actually maintains, was indeed convinced that the National Bank guarantees were genuine. Undoubtedly, one cannot rule out that this contract is as fake as the guarantees themselves, and Mr. Baranov's signature is the same kind of forgery as the signatures

of National Bank President Sembayev, Minister of Finance Pavlov, and Prime Minister Kazhegeldin. Only an independently conducted handwriting analysis of the aforementioned signatures can resolve this unequivocally, however. Besides, so far the investigation has no answer as to how the crooks were able to forge perfectly the signatures of high-ranking officials. The equipment that would enable them to do so has not yet been found; the detectives only found a very precisely crafted duplicate of the National Bank's seal. Which, according to Kesayev, he has nothing to do with. Besides, neither can one dismiss Kesayev's statement that it was he who sent a telex request through the British Lloyds Bank asking the National Bank to confirm the guarantees. As a reminder, it was these inquiries that prompted the investigation. If we stick to the official version, does this mean that Kesayev voluntarily set himself up?

One way or another, so far there are more questions than answers in this case.

Tajikistan

Rakhmanov Interviewed on Upcoming Talks in Kabul

LD1205174395 Moscow INTERFAX in English
1431 GMT 12 May 95

[From the "Presidential Bulletin" feature: By Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Emomali Rakhmanov of Tajikistan gave an exclusive interview to Interfax news agency.

INTERFAX: What exactly are you going to discuss with opposition leader Said Abdullo Nuri when you meet him in Kabul this month? Is the question of Russian presence in Tajikistan likely to be raised?

RAKHMANOV: I intend above all to discuss questions relating to a peaceful solution to the internal conflict, a ceasefire inside the country and its border with Afghanistan and repatriation of refugees, to name but a few. My aim is to try to achieve truce with opposition forces which must be put firmly in place. I think the opposition also wants to see this happen.

As for the presence of Russian guards in the country, the opposition appears to be sharing a government view that Tajikistan's border with Afghanistan is a CIS external border and as such, must be protected together with Russian guards.

INTERFAX: Do you find Kabul to be acceptable as the venue of talks or would you prefer some other place for security reasons?

RAKHMANOV: The question of where and when did not matter when I announced wanting to meet the opposition leader. The main thing is to make the negotiation a success.

INTERFAX: What hopes are you pinning on the meeting with Nuri?

RAKHMANOV: I hope common sense and reason will prevail over political ambitions. Clearly, there is no military solution to the conflict, but the opposition refused to take part in last year's election to share responsibility for running the country.

The people of Tajikistan are awaiting peace and calm, and national reconciliation. The government is ready to do all it can to achieve just that. I hope the talks with Nuri in Kabul will help clear the ground for the next round of peace talks between the government and opposition forces in Almaty designed to bring a solution to problems which are vital to Tajiks and the region as a whole. The main thing is to try to defuse the hotspot in Tajikistan.

I take this occasion to say that the Tajiks are grateful to Russia, the UN and other influential international agencies for their understanding of our problems and support they give to help open a political dialogue between the warring sides.

IF Note: The fourth round of peace talks between Tajik officials and opposition leaders scheduled in Almaty on May 22 will be delayed for technical reasons, a senior Russian diplomat told Interfax (Russia attends the peace talks in the observer capacity). He said the UN special envoy was expected to arrive in Almaty to discuss arrangement matters with the Kazakh authorities. The diplomat said that agreement on the fourth round was reached during last month's consultations in Moscow between Tajik government officials and leaders of the opposition Islamic Revival Movement.

INTERFAX: Some opposition leaders accuse Dushanbe of violating the Tehran ceasefire agreement including the two sides' commitment not to hold any exercises or redeploy their forces while the truce is in place.

In this connection, how should one take Dushanbe's decision to build up its presence in Gorno-Badakhshan?

RAKHMANOV: The measure is not in breach of the ceasefire agreement given that the autonomy is part of Tajikistan, which must ensure inviolability and security of its frontiers. Tajik border guards were sent to the region to protect the country's border with Afghanistan rather than prepare for some kind of military exercises.

The question is one of actions by a sovereign state to try to protect what is its own and CIS border.

I hope opposition leaders would realize their charges are wrong after analyzing this aspect. I would like to emphasize again that the government has always spelt out support for a political solution to all controversial issues.

For its part, the UN observer team in Tajikistan is doing all it can to get the next round of talks in Almaty under way, its leader Darko Silovic said. He believes the fourth round will mark progress on the road of peace in Tajikistan.

The new round is expected to discuss the backlog of unresolved issues, Silovic said.

He said the UN team was pinning great hopes on the Almaty round and called on the warring sides for a show of good will and compromise. We expect constitutional and political issues to dominate the agenda of the Almaty talks agreed to in Moscow in April.

Silovic said the UN team qualifies Dushanbe's actions in Gorno-Badakhshan as being in violation of the Tehran ceasefire agreement. Though Dushanbe was duly informed about this, there has been no official reaction yet, he said.

On internal situation, Silovic said there was no fighting but the social, economic and political situation in the country remains compounded.

He said the UN Security Council is due to meet after the Almaty round to decide whether or not to extend the team's mandate which expires on June 16.

Talks Participants Arrive in Kabul

*LD1505074195 Moscow ITAR-TASS in English
0707 GMT 15 May 95*

[By Oleg Kuzmin]

[FBIS Transcribed Text] Tehran, May 15 (Itar-Tass) — Participants in inter-Tajik talks have arrived in the capital of Afghanistan for negotiations which open here on Monday.

The Tajik government delegation is led by Security Minister Saidamir Zuhurov and the opposition is represented by Khadji Akbar Torajonzoda.

The Tajikistan Democratic Party, headed by Shodmon Yusuf, circulated a statement on the eve of the Kabul talks, pointing out a constructive approach of the leadership of Russia, Tajikistan, Afghanistan, and Iran, as well as other sides concerned, to the Tajik problem, the approach which made it possible to arrange for the talks.

The restoration of peace in Tajikistan, stability and national accord throughout Central Asia now depend on the good will of these states, the statement emphasised.

President: Leaders Agree on Russian Army Presence

*LD1205113295 Moscow INTERFAX in English
0950 GMT 12 May 95*

[FBIS Transcribed Text] DUSHANBE, May 12 (Interfax) — The Dushanbe government and the Tajik opposition leaders see "eye to eye" on the presence of Russian border troops on the Tajik-Afghan border, Tajik President Emomali Rakhmanov said in an exclusive interview with Interfax.

Judging by what they say, Rakhmanov said, the opposition leaders raise no objections to the Russian border guards' presence in Tajikistan because "in addition to being Tajik, the Tajikistan-Afghanistan border is a border of the Commonwealth of Independent States which, in keeping with intergovernmental agreements, is to be protected by joint Commonwealth forces."

'Major' Attack on Russian Border Post 14 May

*LD1505063295 Moscow ITAR-TASS World Service
in Russian 0641 GMT 15 May 95*

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Excerpt] Dushanbe, 15 May — The command of the Russian border troops in Tajikistan have described the barbaric concentrated bombardment of a border picket of the 12th post of the Moskovskiy border detachment on the evening of 14th May as a new act of major armed aggression against Russian border guards. The armed provocation left one border guard dead and five seriously wounded.

In connection with this, as the ITAR-TASS correspondent was informed at the press center of the command of the group of Russian border troops in Tajikistan, the command has made a statement to the effect that any provocation against border guards will be cut short in the severest possible manner using every means available to the border guards. [passage omitted]

The enemy's firing positions were suppressed and a group of up to ten fighters annihilated when the border troops took action in response with fire support from a reserve group of the Moskovskiy border detachment. Operational reconnaissance groups from the post are now combing the border area along with the reserves which have arrived. The command have reported the armed incident at the 12th post to military observers in the UN mission in Dushanbe. [passage omitted]

Border Guards Sent to Gorno-Badakhshan

LD1205113895 Moscow INTERFAX in English
0950 GMT 12 May 95

[FBIS Transcribed Text] DUSHANBE, May 12 (Interfax) — Units of the Tajik border guard have been sent to Gorno-Badakhshan for the "protection and defense" of the Tajik-Afghan border and not "in a run-up to army action," Tajik President Emomali Rakhmanov said Friday in an exclusive interview with Interfax.

According to Rakhmanov, Gorno-Badakhshan used to be the least protected part of the Tajik-Afghan border.

The opposition accused the Dushanbe government of violating the cease-fire agreement of September 17, 1994, by sending troops to Gorno-Badakhshan. Rakhmanov rejects that accusation.

"The Gorno-Badakhshan autonomy is an integral part of Tajikistan and the Tajik armed forces are ensuring the inviolability and security of the national borders just as the armed forces of any other country do," Rakhmanov said.

"Sovereign Tajikistan is taking action to protect its own borders and, in line with the relevant agreements, the border of the Commonwealth of Independent States," he also said.

Rakhmanov hopes that the opposition leaders will "give serious thought to what he said and come to realize that their accusations against the Tajik government are unfounded."

From the very beginning of the Dushanbe-opposition standoff, the Dushanbe government has favored a non-violent search for a settlement, Rakhmanov told Interfax.

Police Operations Continue on Terrorist Underground

LD1305110695 Moscow ITAR-TASS in English
1053 GMT 13 May 95

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE May 13 (Itar-Tass) — Officers of the Tajik Security Ministry showed a veritable arsenal of seized weapons to local and Russian journalists on Saturday.

Submachine-guns with telescopic sight, missiles, transceivers, camouflage fatigues and video materials were seized by Tajik security officers during a large-scale operation to expose an underground saboteur organization which operated in Dushanbe since last autumn.

One of the heads of the investigative squad told journalists that over 20 terrorists were arrested. More than 100

searches at fence apartments and caches with weapons and subversive literature were made.

Security officers tracked down two major illegal passages across the Tajik-Afghan border where terrorists had shuttled for a long time.

Fifteen members of the armed underground were arraigned of committing saboteur acts against economic and military facilities in Dushanbe and its suburbs as well as of murdering 11 people, including two Russian servicemen, three Tajik police, well-known religious leader Ishon Sadridin and Dzhamshe Asimi, D. Sc. (Medicine).

The operation continues to nab other members of the Dushanbe underground. According to a high-ranking official of the Security Ministry, the terrorist organization busted by the investigative squad was well concealed and organized and operated in teams of three or five saboteurs.

Only a limited number of close aides knew the leader of the underground who received instructions directly from Rezvon Sadirov, commander of armed detachments of the Tajik movement of Islamic revival in the government-in-exile.

The Security Ministry has no clear-cut reply to a question of what aims were pursued by the terrorist organization by committing assassinations, including people who had nothing to do with politics and who were not involved in the events of 1992, the culmination of the civil war in Tajikistan.

Some of the arrested are ideological opponents of the present regime in the republic and used terror as a form of blackmail to fan up fear among civilians. Impunity with which crimes were committed, generated mistrust among people of power-wielding and other structures.

Terrorists also played an inter-regional and ethnic card, including that against Russians. Money was the driving force for the other part of the arrested. Every assassination was well paid. Moreover, the assassins of three servicemen, apart from money, were awarded the title of qadi (judge).

Members of the investigative squad stressed at the meeting with journalists that the successful and bloodless operation to bust the Dushanbe underground was carried out in close cooperation with republican law enforcement bodies and with assistance from secret services of Russia, Kazakhstan and Uzbekistan.

The operation is now well underway in and outside Dushanbe. Secret services are in hot pursuit of several other terrorist groups.

Uzbekistan

Karamov Signs Edict on Settling Accounts

LD1305161095 Tashkent NARODNOYE SLOVO
in Russian 13 May 95 p 1

[Edict by President Islam Karamov on measures to increase the responsibility of leaders of enterprises and organizations for the timely settlement of accounts in the national economy]

[FBIS Translated Text] With the aim of strengthening the financial state of enterprises and organizations, ensuring that consumers pay for products supplied to them or for work and services carried out on time, and increasing leaders' responsibility for the state of payment discipline in the national economy, I decree that:

1. Economic entities of all forms of ownership are forbidden to deliver products and carry out work and services for consumers and customers without prepayment by the latter of 15 percent of the cost of the products (work and services).

2. Accounts are to be considered outstanding for delayed payments for goods supplied, and for services and work carried out, on the expiry of 60 days from the date of the factual delivery of the goods, or the carrying out of the work and services.

The strictest measures of administrative and material accountability, including the bringing of criminal proceedings, are to be applied to the heads and senior accountants of enterprises for allowing accounts to fall overdue.

3. The Prosecutor's Office of the Republic of Uzbekistan is to increase supervision over bringing officials responsible for supplying goods (work and services) to insolvent consumers to account, including criminal proceedings.

4. Taxation bodies should impose administrative fines amounting to five to seven times the minimum wage, on:

Heads of enterprises and organizations of all forms of ownership, as well as on the senior accountants of these enterprises, in the case of accounts falling overdue:

Heads and senior accountants of commercial bank branches for violation of the payment schedule, if the enterprises have appropriate funds in their accounts.

5. The Central Bank of the Republic of Uzbekistan is to ensure the permanent supervision of the timely carrying out of settlements and the state of the corresponding accounts of commercial banks, up to taking measures on liquidating commercial bank branches which regularly

permit delays in conducting payments from the accounts of enterprises.

6. The State Committee for Forecasting and Statistics of the Republic of Uzbekistan is to formulate and introduce, beginning 1 July 1995, a monthly statistical report on the state of debits and credits, including overdue debts at ministries, state committees and other bodies of state and economic administration regarding their enterprises.

7. The Supreme Economic Court of the Republic of Uzbekistan, in conjunction with the Prosecutor's Office, the State Committee for Property and the Ministry of Justice of Uzbekistan, is to activate work on instituting proceedings on declaring insolvent economic entities bankrupt, according to the set procedure.

8. The Ministry of Justice of the Republic of Uzbekistan has a week in which to make a proposal to the Cabinet of Ministers of the Republic of Uzbekistan on introducing amendments and addenda to current legislation arising from the present edict.

9. Supervision of the implementation of the present decree rests with the Cabinet of Ministers of the Republic of Uzbekistan.

[Signed] President of the Republic of Uzbekistan Islam Karimov

Tashkent, 12 May 1995

EC Center To Assist in Business Development

LD1405102195 Tashkent PRAVDA VOSTOKA
in Russian 13 May 95 p 1

[FBIS Translated Excerpt] For this purpose, the assistance fund for the development of small- and medium-sized business is attracting major investments into Uzbekistan. The European Union is opening a center in Uzbekistan for the development of market skills and small- and medium-sized businesses within the framework of the TACIS program, in order to help new entrants in the business world to develop their general ideas about the market economy and to teach them right ideas about producing goods, providing services, and how to use the resources in their bank accounts efficiently. The Business Fund (assistance fund for the development of small- and medium-sized businesses) has become the main partner from the Uzbek side in the implementation of these projects, which have a total cost of almost 7 million ECU. This is understandable, as one of the main thrusts of its activities is to train for the business world.

"Apart from the Business Fund, our partners are the Union of Entrepreneurs and the Association of Busi-

nesswomen of Uzbekistan," Karl Altgayer, project manager for establishing the center for the development of market skills, said.

These organizations take an active part in the center's activities. It is through them that the beginners in the world of private business are to be accepted for training.

Representatives of the United Kingdom and Italy won the competition conducted by the EU within the TACIS framework for the implementation of this project. An English international economic and energy consultant company from Nottingham has become the leading consortium. The company has immense experience with both small- and medium-sized business, as well as with major industrial business. It is no accident that it was charged with developing the program for the transition from centrally planned to market economies in the countries of Europe and Asia.

During the two years planned for the implementation of the project, specialists from Europe will work in close cooperation with local partners to develop small- and medium-sized business. [passage omitted]

They will provide training using the methods of an Italian management training institute. This company, from the province of Reggio nell'Emilia, has close contacts with the entrepreneurs' association and Trade Chamber of Italy. It has provided quality training for personnel from thousands of enterprises in its own country and in Central Europe.

It is true that it is better to see once than to hear a hundred times. Uzbek businessmen will be able to learn directly from the experiences of their western counterparts. The center will organize trips for them to the United Kingdom and Italy for training at firms and companies, lasting from several weeks to six months. We are setting up the first group of entrepreneurs and specialists as early as this year. [passage omitted]

It is known that all people in the west are familiar with the market economy and are interested in the related processes. Newspapers and the electronic media help this in every way. Broadcasts and articles are of great benefit to the development of market relations. The center considers it an important part of its activity to grant assistance to journalists who write about and make programs that highlight the market, through their studying the experiences of the European mass media.

The BBC is to provide assistance of this nature within the framework of the center's activity. The BBC, which is viewed as one of the most popular and powerful companies in the world, has noted specialists in these fields. The change of the psychological climate in society will, in our opinion, qualitatively improve the

possibilities for private business in Uzbekistan. [passage omitted]

The German technical center that won the EU Commission tender has taken on responsibility for implementation of the project to set up agencies in Tashkent, Gulistan, and Samarkand. [passage omitted]

It should be noted that apart from these three development agencies, a decision has been adopted to train consultants for all the other regions of Uzbekistan. [passage end]

France To Grant Credit for Airport Development

LD1205152695 Moscow INTERFAX in English
1246 GMT 12 May 95

[FBIS Transcribed Text] TASHKENT, May 12 (FIA-Interfax) — The French Economy Ministry is planning to provide a \$37.7 million credit to Uzbekistan to help develop its airport facilities.

A ministry commission has given the go-ahead to the loan, officials of Uzbekistan Airlines told Interfax's Financial Information Agency.

A company spokesman said the credit is intended to help set up a new flight control center at Tashkent airport with France's Thompson-ZSF company expected to supply radars and computer equipment.

The 10-year loan, not covered by Uzbek government guarantees, is to be repaid at the cost of profits to be made. The new center is to be commissioned next May.

Statistics Regarding Joint Ventures Reviewed

LD1205173295 Tashkent BIZNES VESTNIK
VOSTOKA in Russian 12 May 95 p 4

[Article: "Joint Venture Enterprises in Uzbekistan"]

[FBIS Translated Text] More than 1,400 enterprises involving foreign investment are contributing to the development of the republic's market for goods and services.

The republic currently has more than 1,400 enterprises involving foreign investments functioning here. The number of joint ventures has almost doubled in the last two years 1992-1994. The proportion of actually functioning joint ventures increased as follows: in 1992 this figure was only 16 percent, in 1993 — 31.7 percent, and in 1994 — 63 percent.

Eight or nine of the most active joint ventures alone produced a significant proportion of the overall volume of goods. A total of 8 out of 92 joint ventures thus produced more than 80 percent of total output in 1992, and

a total of 9 out of 272 joint ventures produces almost 70 percent of the overall 1993 volume. There are stable leaders in the ranks of the joint ventures: the Sovplastital joint venture (Uzbekistan-Italy), Kaprolaktam (Uzbekistan-Switzerland), Sovavstrotekstil (Uzbekistan-Austria), Tashinterm (Uzbekistan-China) and Uzbek-Rifle (Uzbekistan-Italy).

A total of only 633 out of more than 1,400 existing enterprises involving foreign investment are registered at the republic's Ministry of Foreign Economic Activities as participants in foreign economic activities. More than half of the operating enterprises are not involved in import-export operations. On the one hand, foreign partners are being cautious about investing in production, while on the other hand, the volumes of initial authorized funds, which allow only for the registration of the joint ventures (especially for the foreign partners), are not significant. Furthermore, joint ventures have no free access to hard currency credits and the possibility of converting freely to hard currency. There are imperfections in the taxation policy. All of this has created conditions in Uzbekistan which make it easy for joint ventures to be set up which are not ready to begin new production, and are counting on accumulating "trade capital" which they do not always invest in production.

The trade, public catering, mechanical engineering, construction, chemistry, petrochemical, and light industry sectors are the principle spheres of joint venture activity. A positive trend has been observed towards increasing the volume of production, works and services rendered by enterprises involving foreign investments in such spheres as the transport, communications, science and science-oriented fields, health care and public education. In a number of sectors the attraction of foreign investments has played a decisive role in modernizing enterprises (The UzBat-Industries joint venture in the tobacco industry) and in the process of setting up car construction (UzDaewoo-Auto joint venture).

In 1994 the overall volume of production, work and services from enterprises with foreign investment in the Republic of Uzbekistan amounted to 1.7081 million [as received] som. The largest growth of joint venture gross output in 1994 was in trade and catering, chemistry and oil-chemistry, machine-building, light industry, and construction.

According to the statistical data, the volumes of import-export operations by joint ventures are decreasing. Thus, export volume in the period 1992-1994 fell nearly 2.5-fold. The volume of import operations over this period, on the other hand, increased to some extent by more than \$10 million. The increase in import volume in the

period 1992-1994 is obviously explained by a number of factors, including political stability as well as permission to import goods free of duties until 1st July 1995.

One of the reasons for the decrease in the volume of exports is state regulation of the exports of a number of types of goods, such as leather raw materials and non-ferrous metallurgy articles. The share of overall export volume of joint ventures in these areas in the first half-year of 1994 amounted to 52 percent (11 percent for leather raw materials, and 41 percent for non-ferrous metals products).

The number of the citizens of the republic working at enterprises with foreign investment amounts to 20,658 people, or 18-19 people on average per enterprise. The largest number of work-places was created in Tashkent city — nearly 1,400, and in Tashkent and Samarkand regions — 2,783 and 1,003 respectively. The remaining regions have an insignificant share, especially Karakalpakistan, Syrdarya, Kashkadarya, and Dzhizak.

The statistics show that not all foreign investors are rushing to invest their funds in the republic's economy. Representatives of the most active countries, such as the USA, Italy, Switzerland, the Federal Republic of Germany, South Korea and others, have made real investments, that is to say, created enterprises which produce more than 80 percent of the total output of all the joint ventures. Representatives of these countries are also carrying out the greater part of the import-export transactions (about 90 percent of the total volume). A characteristic feature is that the volume of import transactions is considerably — from two to ten times on average — higher than that of export transactions.

Turkey holds an important position in this list: a large part of output (2d place), and a considerable volume of export-import operations. This resulted from the fact that the governments of both countries are actively pursuing a policy of close cooperation with one another, and that the peoples of the two countries are ethnically and culturally close.

The overwhelming majority of joint ventures act as intermediaries in commercial operations, including import-export transactions. In the main they are enterprises with the participation of Arab countries (Syria, the UAE, Saudi Arabia), of developing countries in the region (Iran and Pakistan), as well as of Bulgaria, Cyprus, and Yugoslavia. The potential of such industrialized countries as Japan, Belgium, Sweden, and Finland, as well as of such countries as Malaysia and Singapore, whose economies are growing fast, have not been used practically. Links are still not being used effectively with the former Soviet republics — Ukraine, Belarus, Estonia, Lithuania, and Latvia — and

the same applies with our close neighbors, Kazakhstan and Kyrgyzstan.

If a whole package of favorable conditions are created for foreign investors to stop temporizing and to invest actively in the republic's economy, it will be possible to use the great potential of the existing joint ventures, and even without taking into account joint ventures which are being set up, to expect a three- to five-fold increase in production, as well as in import-export operations. If the work of new joint ventures is taken into account, this figures can be higher.

In 1994, the volume of products exported by such sectors of the industry as metallurgy and machinery construction increased compared to the figures of 1993. However, in the first quarter of this year, joint ventures exported almost nothing of this kind. In the sphere of agriculture, trade, public catering and the electronics field, enterprises with foreign capital are decreasing their exports.

Armenia**Parliament Head at CIS Interparliamentary Session**

NC1205194095 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 12 May 95

[FBIS Translated Text] A delegation of the Armenian Supreme Council lead by its chairman Babken Araktsyan left for St. Petersburg on 12 May to participate in the regular session of the CIS Interparliamentary Assembly.

Yerevan Waiting for Azerbaijan To Reciprocate

NC1205192795 Yerevan SNARK in English 1231 GMT 12 May 95

[FBIS Transcribed Text] Yerevan, MAY 12 (SNARK)—Today, on the first anniversary of the Karabakh-Azeri truce Armenia released 27 Azeri POWs and hostages. This morning they all were to Baku by an Armenian plane accompanied by a delegation from the International Red Cross Committee Representation (IRCC) [ICRC] in Armenia. The Press Office of the Representation informed Snark that two other Azeri POWs refused to leave for Baku and preferred to be sent to Russia. They are Dagestan resident Babayev and pilot M.Ishkneyev who had been sentenced to 15 years of prison for bombing the Vardenis region in Armenia.

It was expected that the same plane would bring Armenian POWs and hostages from Baku in return. Head pilot Mikhail Sargisyan said that the Azeri part refused for unknown reasons to send home Armenian POWs and hostages. As Snark was informed by the IRCC Representation in Armenia, this issue will be commented on later. It should be noted that a few days ago NKR [Nagorno-Karabakh Republic] authorities had set free 15 detained Azeri citizens.

Kurd Leader Denies 'Infiltration' of Turkey

LD1205213095 Moscow ITAR-TASS World Service in Russian 1637 GMT 12 May 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Text] Yerevan, 12 May — A spokesman of the Kurdish community in Armenia today categorically refuted a claim about the infiltration of Kurdish armed formations or the passage of weapons from Armenian territory into Turkey. This is "adventurism, lies, and a provocation," an ITAR-TASS correspondent was told by Amarike Sardar, chairman of the committee of the Kurdish intelligentsia in Armenia and editor in chief of the Kurdish newspaper RIA TAZA (NEW WAY), which is published here. The Armenian Kurds, he pointed out, are indignant

and condemn similar statements that Yerevan has unfriendly intentions towards Turkey.

Armenia, Iran Conclude Energy Deals

LD1305102795 Moscow ITAR-TASS World Service in Russian 2350 GMT 12 May 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Text] Yerevan, 13 May — Work to lay a 140-km gas pipeline from Iran to Armenia will start this year. In two years it will carry a billion cubic centimeters of gas into the republic annually. An Armenian Government spokesman announced this at a briefing on the outcome of the official visit to Iran by Prime Minister Grant Bagratyan. Vladimir Manoyan, head of the press service, said that planning work on the Armenian section of the gas pipe has begun.

The issue of guarding the future gas pipeline was not raised during the talks, the press secretary said in reply to a question from the ITAR-TASS correspondent. He expressed the opinion that some measures would be taken.

According to the spokesman for the Armenian Government, agreement was reached on building a hydroelectric power station [GES] on the frontier River Araks. Specialists from both countries are studying two options for this GES: a subterranean station with a capacity of 210-220 MW and a large-capacity dam. The press secretary did not rule out the possibility of two GES's being built on the Araks.

The other agreement signed in Teheran, on supplies of Iranian liquefied gas to Armenia, will come into effect by the end of May or the beginning of June.

An agreement on building an electricity supply line over a year and a half from Iran to the district center of Megri in southern Armenia was also concluded, the press secretary continued. The two countries' relevant ministries are working on a draft agreement on financing the construction of the line. Being connected to Iran's gas pipeline and power systems will solve Armenia's energy problems, Vladimir Manoyan said.

Parliament Adopts New Constitution by Referendum

NC1205202795 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 12 May 95

[FBIS Translated Text] Meeting under Ara Sahakyan, first deputy chairman of parliament, the Armenian Supreme Council continued debating on 12 May the draft constitution submitted by the Supreme Council Constitutional Commission.

Supreme Council press service reported that following speeches made by the representatives of the parliamentary groups on the draft, the parliament heard a concluding statement by Professor of Law Vladimir Kazayan who enumerated Supreme Council Constitutional Commission's stance as regards the criticisms and proposals made during the parliamentary debates, and noted all the principles adopted by the Constitutional Commission.

President Levon Ter-Petrosyan also addressed the deputies on the issue. In assessing the work of the first parliament of the independent Armenian Republic, the president said that the Supreme Council's greatest achievement has been its effort to bring the constitutional process to its logical conclusion while winding up its mandate within the legislative deadline, thus completing the most important (?foundation) for a democratic and legal structure of a sovereign state.

Following prolonged and involved debate, the Armenian Supreme Council passed an important historic decision by a majority vote on the basis of Article 2 of the Law on Armenian Constitution adopted on 27 March 1995 and guided by Article 14 of the Armenian Law on Referendum in the Armenian Republic. It endorsed the draft constitution of the Armenian Republic submitted by the Armenian Supreme Council Constitutional Commission. With a view to adopting the Constitution of the Armenian Republic, a referendum will be held on 5 July 1995 by putting to vote the following question: Do you approve the Constitution of the Armenian Republic endorsed by the Armenian Supreme Council?

In the afternoon, the parliament started debating amendments to the Law on Referendum in the Armenian Republic. Armenian Justice Minister Vahe Stepanyan noted in this connection that the proposed amendments envisage that the jurisdictions of the central, regional, and city commissions to supervise the referendum on the Constitution of the Armenian Republic should be transferred to the central, district, and local commissions supervising the elections for the Armenian National Assembly. They also envisage that the question asked in the referendum should be considered as adopted if more than half of those voting have voted for it, provided their number is not less than one-third of the citizens included on the electoral lists.

A debate followed on this issue. However, running out of time, the Supreme Council ended its three-day session without concluding this debate.

Azerbaijan

Freight Trains Enter Country From Russia

NC1205203795 *Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1600 GMT 12 May 95*

[FBIS Translated Text] First Deputy Prime Minister Abbas Abbasov said that President Geydar Aliyev's efforts to open the northern border gate have produced results and measures are being taken to open the roads between Russia and Azerbaijan. Following intensive talks over the last few days with Russian Deputy Prime Minister (?Bashakov) and Colonel General (?Zenko), deputy commander of the Russian Border Guards, two trains carrying important freight for the national economy crossed Dagestan's borders and arrived in Azerbaijan.

We received this information some minutes ago. The talks are continuing.

Russia's Kazimirov Quoted on Territorial Unity

NC1205203195 *Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1600 GMT 12 May 95*

[FBIS Translated Text] According to SHARG [East] news agency, Vladimir Kazimirov, Russian president's special representative on Nagorno-Karabakh, has said that the official representative [not further identified] of Russia accepts the fact that the Azerbaijani lands have been occupied. He notes that three sides are closely involved in this conflict. Of course, Armenia is involved in the conflict through Nagorno-Karabakh. The Armenian side also admits that volunteers from Armenia are taking part in the fighting. In this way, Kazimirov testifies to the participation of Armenia, which is one of the military allies of Russia, in the aggression against Azerbaijan.

Release of Nagorno-Karabakh POW's Called For

LD1205123295 *Budapest Kossuth Radio Network in Hungarian 1100 GMT 12 May 95*

[FBIS Translated Text] OSCE Chairman-in-Office Laszlo Kovacs has asked the Azerbaijanis to release POW's and civilians kept prisoner in Nagorno-Karabakh as promised. On the first anniversary of the cease-fire in Karabakh, Kovacs called for the prevention of further suffering of the civil population by every means.

According to Kovacs, the trust-strengthening steps may contribute to the success of forthcoming peace talks in Moscow.

Karabakh General: Fighting Will Not Resume

LD1205203795 Moscow ITAR-TASS in English
1940 GMT 12 May 95

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN, May 12 (Itar-Tass) — "Almost all tasks faced by Nagorno-Karabakh have been fulfilled. The resumption of combat operations by the Karabakh side is excluded," head of the Karabakh defence army headquarters major-general Anatoliy Zinevich told the AIASTANI ANRAPETUTYUN (Republic of Armenia) parliamentary newspaper today.

In the opinion of the general, a major reason for lasting truce in the Karabakh conflict zone is Azeri tiredness of the war and the international pressure on Baku. He said that "the evident defeat of the Azeri troops seems to convince the Azeri leaders of impossibility to implement programs with military methods."

Nevertheless, the Azeri side is reinforcing positions and strongholds in all areas bordering Nagorno-Karabakh, said the general. High-ranking military, including the Azeri Defence Minister, often visit units stationed near the Karabakh border, and military exercises go on not far from the front line. This shows that combat operations may resume any time if the conflicting sides fail to reach a comprehensive political agreement on settlement, said Zinevich.

Nagorno-Karabakh President Comments on Future

LD1205192995 Moscow Russian Public Television
First Channel Network in Russian
1700 GMT 12 May 95

[FBIS Translated Text] [Announcer] The agreement on a cease-fire in the zone of the Karabakh conflict was signed a year ago today. However, over the year of the cease-fire the talks on the so-called major political agreement on the settlement in Nagorno-Karabakh have brought practically no results. Among other things, it still proves impossible to resolve one of the main procedural questions: Who are the parties in the Armenian-Azerbaijani conflict? [video shows correspondent Sergey Omelchenko in Nagorno-Karabakh]

[Omelchenko] The war stopped here, at this boundary. It choked in the blood of thousands of its victims and got stuck in the debris of towns and villages destroyed in Karabakh, Armenia, and Azerbaijan.

A cease-fire does not mean peace, but Karabakh used this breathing space to build a new peaceful life.

The first president of the republic has been elected.

[Begin recording Robert Kocharyan, president of Nagorno-Karabakh Republic — identified by caption] We have no illusions about the future. We realize that very difficult and meticulous work lies ahead; there are difficult talks ahead. One can say that the interests of the sides are diametrically opposite. It is very difficult to harmonize these interests. Nevertheless, we must continue on this path. [end recording]

Aliyev Announces Release of Hostages, POWs

NC1205183795 Baku Azerbaijan Radio Televiziya
Television Network in Azeri 1600 GMT 12 May 95

[Statement by President Geydar Aliyev; place and date not given — read by announcer]

[FBIS Translated Text] The Azerbaijani Republic has always favored the peaceful political solution of the Armenia-Azerbaijan conflict notwithstanding the grave consequences of the war into which we have been forced, the occupation of more than 20 percent of the Republic's territory, and the eviction of more than 1 million Azerbaijanis from their native lands which made them refugees.

In our view the provisions of the UN Charter and OSCE principles on the inviolability of the borders and on the territorial integrity of countries, and the international conventions on war victims form a reliable foundation for ending the conflict and eliminating its grave consequences.

In proceeding from this principled position, and acceding to the appeals of Russian President Boris Yeltsin; the CIS Interparliamentary Assembly; the present chairmanship of OSCE; the chairman of the International Red Cross Committee; and other prestigious international organizations, the Azerbaijani Republic unilaterally sets free all the prisoners of war in Azerbaijan, citizens of the Armenian Republic held on other grounds, and other persons of Armenian nationality on the first anniversary of the agreement on the cease-fire on the Armenia-Azerbaijan front.

At the same time, we regret the fact that the International Red Cross Committee has so far been unable to determine the fate of hundreds of Azerbaijani hostages and prisoners of war in Armenia and in the occupied part of Azerbaijani territory that are included in the list submitted by the Azerbaijani side. We hope that Armenia will create the necessary conditions for resolving this matter and releasing all the detained Azerbaijani citizens.

The Azerbaijani Republic reiterates its support for the peaceful resolution of Armenia-Azerbaijan conflict and

hopes that the humanist steps taken by it will soon help secure peace.

Authorities Release 35 Armenian POW's

LD1505084995 *Moscow ITAR-TASS in English*
0827 GMT 15 May 95

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN May 15 (Itar-Tass) — Azerbaijan freed 35 out of 62 Armenian POWs and hostages over the weekend and a spokesman of the International Red Cross told Tass Monday 28 of them were taken by a special flight to Yerevan.

Other seven released POWs preferred to leave for Russia and Georgia where they used to live.

The Red Cross hopes that Azerbaijan and Nagorno-Karabakh would follow suit of Armenia and release all captured POWs and hostages, according to the spokesman of the Red Cross delegation in Yerevan.

Red Cross officials have listed 62 Armenian POWs in Azerbaijan, but Armenia insists the number is bigger and that Azerbaijan refuses to free the rest because it regards them as state criminals.

The exchange of POWs and hostages was timed to the first anniversary of the ceasefire in Nagorno-Karabakh.

President Chairs Cease-Fire Anniversary Meeting

NC1205200795 *Baku Radio Baku Network in Azeri*
1700 GMT 12 May 95

[FBIS Translated Text] Today is the [first] anniversary of the cease-fire agreement in the war between Azerbaijan and Armenia. A meeting was chaired by President Aliyev on the occasion. Aliyev delivered the opening speech. Namik Abbasov, minister of national security and head of the committee responsible for matters related to prisoners of war, detained people, and missing persons, read a report. Fatma Abdullazade, director of the Presidential Department on Humanitarian Affairs; Vefa Gulizade, state adviser on foreign policy; Rasul Guliyev, chairman of the Azerbaijan National Assembly; [name and title indistinct]; S. Nishanova, acting minister of justice; Khanlar Hajiyev, chairman of the Supreme Court; and Foreign Minister Gasan Gasanov addressed the meeting. It was noted that Azerbaijan has always maintained a humanitarian approach on the exchange of prisoners of war and detained people and that it has not changed its position now. However, the Armenian side has not maintained a similar approach.

The speakers outlined their views on the work that has been carried out for the exchange of prisoners of war and detained people and the solutions of problems

related to maintaining the cease-fire. President Aliyev closed the meeting.

Ramiz Mekhtiyev, head of the Presidential Executive Office; State Adviser Nureddin Sadikov; Deputy Prime Minister Izzet Rustamov; Minister of Defense Sefer Aliyev; and other officials also attended the convocation.

Former Defense Minister Sentenced to Death

NC1405132795 *Paris AFP in English*
1258 GMT 14 May 95

[FBIS Transcribed Text] Moscow, May 14 (AFP)—A Baku court has sentenced Azerbaijan's ex-defense minister to death for failing to adequately defend two towns captured in May 1992 by Armenian separatists from the disputed enclave of Nagorno-Karabakh, the Azeri news agency TURAN said Sunday [14 May].

Rahim Gaziyeu, defense minister from March to July 1992 in the government of Abulfaz Elchibey, was also convicted Friday of embezzling 500,000 dollars, TURAN said, without giving further details.

Three of Gaziyeu's associates, including a bodyguard, were sentenced to prison or forced labour at the end of the nine-month trial.

The town of Shusha was the last Azeri stronghold on the Nagorno-Karabakh plain, while Lachin was the main city in the corridor linking the enclave to neighbouring Armenia. The capture of the two towns facilitated Yerevan's support of the separatists.

Legal action was also started against 28 other people, including several military officials from the same period who were involved with the seven-year-old separatist conflict in Nagorno-Karabakh, a predominantly Armenian enclave of Azerbaijan.

Geydar Aliyev, a former Communist Party first secretary, overthrew Elchibey in July 1993, and now rules the former Soviet republic with an iron grip.

Most members of Elchibey's Popular Front are in exile or prison.

Fresh peace talks on Nagorno-Karabakh are due to begin Monday in Moscow. The conflict in the enclave has left at least 20,000 dead and made refugees of one million people.

Georgia

UNSC Extends Mandate of Peacekeepers

LD1305134095 Moscow ITAR-TASS World Service
in Russian 2130 GMT 12 May 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 13 May — The UN Security Council unanimously adopted a resolution at its session on Friday evening [12 May], which decrees an extension to the mandate of the UN observers' mission in Georgia to 12 January 1996. The Council did however specify that it would review this decision in the event of any changes in the mandate of the CIS peacekeeping forces deployed in the Georgio-Armenian conflict zone.

The Security Council highly rated the contribution of the CIS peacekeeping forces to the stabilization of the situation in the conflict zone and singled out Russia's role. It welcomes the additional measures being taken by these forces in Gali District to improve the conditions for the safe and orderly return of refugees and displaced persons. The Council once again calls on the Abkhazian side to "speed up considerably the voluntary return of refugees and displaced persons," and to "guarantee the safety of disorganized repatriates."

The resolution voices full support for the efforts to achieve a comprehensive political settlement of the conflict, including the question of Abkhazia's political status, with consideration for the sovereignty and territorial integrity of Georgia. The Security Council also voices its full support for the Russian Federation's efforts to step up the search for a peaceful settlement of the conflict.

The Council calls on the international community to contribute money to a fund of voluntary donations set up by the UN to help implement the agreement on the ceasefire and the separation of forces in Abkhazia.

DefMin, Russian Officers Discuss Air Defense

LD1305163995 Tbilisi IPRINDA in Russian
1300 GMT 13 May 95

[FBIS Translated Text] [No dateline as received] — Today Georgian Minister of Defense Vardiko Nadibaidze received a group of experts from the Russian Ministry of Defense led by a deputy commander-in-chief of Russian Air Defense Forces, Col-Gen Sergey Saepgin. The meeting discussed restoration of Georgian air defense, which primarily involves restoring the communications and tactical control systems.

The experts will stay in Georgia for several days, during which they, together with their Georgian colleagues,

will visit air defense installations. After that, they will present their proposals to the Georgian side.

Russian Peacekeepers To Guarantee Abkhaz Security

LD1305170395 Moscow INTERFAX in English
1525 GMT 13 May 95

[FBIS Transcribed Text] ZUGDIDI (WESTERN GEORGIA), May 13 (Interfax) — Russian peacekeepers "can and are ready to guarantee security of the Georgian population in Abkhazia's Gali region and to ensure stage-by-stage return of refugees," commander of the Russian peace-keeping forces in the zone of the Georgian-Abkhazian conflict Vassily Yakushev declared to journalists in Zugdidi Saturday (Georgia's west).

According to Yakushev, the major provision is to confirm the proposal on extension of peace-keepers' mandate in Abkhazia by heads of CIS states (it is to expire on May 15) and to endow them with police functions.

DefMin Welcomes Russian Stance on Abkhazia

LD1305180995 Tbilisi SAKINFORM in Russian
1421 GMT 13 May 95

[FBIS Translated Text] [No dateline as received] — Georgian Minister of Defense Lt-Gen Vardiko Nadibaidze has told journalists that a clear change in the Russian side's position concerning the Georgian-Abkhaz conflict was noticeable as early as last April, at a meeting of the council of CIS defense and foreign ministers. According Nadibaidze, this was largely due to Russia's experience of fighting aggressive separatism within its own borders — in Chechnya. The change in the position was reflected in a proposal by Russian Minister of Defense Pavel Grachev to amend the wording and refer to the Georgian-Abkhaz conflict as "the conflict in Abkhazia on the territory of Georgia." This wording will from now on be used in all documents relating to this issue.

Georgia, Abkhazia Agree 'To Live in a Single State'

LD1305082095 Moscow ITAR-TASS in English
0759 GMT 13 May 95

[By Boris Sitnikov]

[FBIS Transcribed Text] UNITED NATIONS May 13 (Itar-Tass) — Georgia and Abkhazia have reached an understanding of principle at ongoing Moscow consultations "to live in a single state", Russian chief delegate to the U.N. Sergey Lavrov told a Security Council meeting on Friday evening [12 May], which adopted a

decision to extend the stay of international observers in the zone of the Georgian-Abkhazian conflict till January 12, 1996.

"It was possible to reach some principal understandings between representatives from the Georgian government and the Abkhazian leaders during consultations held in Moscow between April 18 and May 6.

"The sides confirmed their obligations to prevent resumption of the armed confrontation. They agreed that they should live in a single state," Lavrov stated.

At the same time, he pointed to the persistence of "serious differences" in approaches to a setup of such a state by Georgia and Abkhazia, adding that the Georgian-Abkhazian consultations on this issue resumed on May 11.

The Russian ambassador expressed gratitude to the Security Council for the support of efforts by Russia as a promoting side in a search for a peaceful settlement of the conflict.

"We deem it important that the Security Council welcomed and supported the continued consultations on Georgia's new constitution based on federative principles in the context of an all-round political settlement," Lavrov stressed.

He noted that "the Russian Federation has always proceeded from a premise that an all-round settlement of the Georgian-Abkhazian conflict is possible only by observing sovereignty and territorial integrity of Georgia and by ensuring the rights of that country's multi-ethnic people".

In this connection, Lavrov expressed concern over "the insignificant progress in the negotiating process, including the question of a political status of Abkhazia" and "the inadmissibly slow return of refugees through the fault of the Abkhazian side".

Mkhedrioni Hand Over Weapons, Ammunition in South

LD1305160495 Tbilisi First Program Television Network in Georgian 1500 GMT 13 May 95

[FBIS Translated Text] In accordance with the head of state's edict of 4 May and the parliament's decision of 1 May, under the supervision of Omar Eloshvili, chairman of the special parliamentary commission, the Rescue Corps [Mkhedrioni] completed today the handover of its firearms, combat equipment, and ammunition to the Ministry of Defense and the State Security Service in Rustavi and Kvemo Kartli. A total of 15 pieces of combat equipment, as well as automatic weapons,

machine guns, grenade launchers, several thousand shells, and ammunition were handed in.

The handover process is continuing.

Representative Appointed in Western Region

LD1405152395 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 13 May 95

[FBIS Translated Excerpt] With the aim of rapidly overcoming economic backwardness, successfully implementing reforms, using material resources economically, further strengthening law and order, and, in general, protecting state interests, the Georgian head of state [Eduard Shevardnadze] has issued a decree introducing the post of state representative of the Georgian head of state in the West Mtianeti region — in the districts of Ambrolauri, Lentekhi, Oni, and Tsageri.

The statute of the office of state representative of the Georgian head of state has been approved.

By a decree of the Georgian head of state, Tedo Isakadze has been appointed state representative of the Georgian head of state in the West Mtianeti region. [passage omitted]

Shevardnadze Criticizes Media for Gloom

LD1305200195 Tbilisi First Program Television Network in Georgian 1500 GMT 13 May 95

[FBIS Translated Excerpt] Today, 13 May, the head of state hosted a regular meeting on energy issues. The meeting was attended by senior officials from the Cabinet of Ministers, ministers, and representatives of various agencies. It examined implementation of decisions taken at the previous meeting. It was said that many positive processes had already started, but that they had not yet acquired their final form. The meeting was summed up by Head of State Eduard Shevardnadze. He stressed the need to speed up these processes and raised the issue of the accountability of individual agencies and officials. We present several excerpts from Eduard Shevardnadze's speech.

[Begin Shevardnadze recording] Such meetings in my office are not aimed at examining every little detail and taking a decision on every issue. Most problems should be examined at the Cabinet of Ministers with Batoni [polite form of address in Georgian] Otar [Patsatsia], Batoni Zurab [Kervalishvili], and other deputy prime ministers. This work should not stop for a day. In my office, we should meet to discuss problems which require decisionmaking at state level. [passage omitted]

A repetition of last winter, when the whole country was paralyzed, is impermissible and would be a crime against the country and the people.

On the one hand, we should not lie to the people by saying that something is being done when, in reality, it is not. But on the other hand, if something is being done, if there is a slight improvement, it should be reported. People need this today. They are in such difficulty that nowadays even hope has material value and force. Of course, reports should be true. Therefore, the Tbilisi Mayor's Office was right when it decided to cooperate more actively with the television and the press. If necessary, we should also publish more of our own newspapers and tell the people the truth.

I watched the Matsne [the day's main TV bulletin] yesterday. Everything was painted in dark colors, absolutely everything. If you discuss only negative things in your family, you will go mad and may even end up hating your own family. There was not a single bright spot such as, for example, a report on someone having started something, or a building having being painted somewhere, albeit only one building, or water being sold somewhere, or oil or gas having been imported. There was nothing like that.

Tell them this, they should know it. You cannot go on wearing dark glasses forever. I am not saying that we are flourishing. We have a bad life, and there are many problems. But there is also some hope, as we heard today. The Germans want things to improve here, and they have given us 18 million [currency unspecified] in aid, have they not? The European Bank for Reconstruction and Development wants things to improve here as well. The Americans have also done something. We have even failed to report this to the people. [end recording]

Shevardnadze on Coupon Strength, Energy Crisis

*LD1505095095 Tbilisi Radio Tbilisi Network
in Georgian 0514 GMT 15 May 95*

[Regular weekly interview with Georgian head of state Eduard Shevardnadze by correspondent Nato Oniani in Tbilisi; broadcast in progress — live]

[FBIS Translated Excerpt] [Shevardnadze] ...The value of the coupon has strengthened considerably. The National Bank's official rate for the coupon against the U.S. dollar has not changed since January 1995. The price of the dollar is still 1.3 million coupons.

Now, for the attention of those who think that this is a bluff and fictitious strengthening, I would say that, in my opinion, the most important thing is that the difference between the official and market rates is only four to five percent. Last year the difference was about 60 percent.

Therefore, I believe that the article by the former economics minister, Mikhail Jibuti, published in

SAKARTVELOS RESPUBLIKA must be an attempt to mislead public opinion. It may be that he had been misled himself. The claim that Georgia fails to meet any of its obligations to the IMF is especially unacceptable. During the visit to Georgia by IMF Director Michel Camdessus and now, when an IMF mission is visiting Georgia, the public had the opportunity to see that the opposite is true. Of course, there are serious problems, but stabilization measures...[passage indistinct]

One of the main problems for the Georgian economy is how to overcome the energy crisis. You have already mentioned this in your question. As you know, the meeting held by the head of state on 13 May heard that the preparation of the fuel and energy complex for the winter had not been satisfactory so far. I must say that this is mainly due to financial problems. Sakenergo [Georgian energy department] is in effect a bankrupt organization, and emergency measures are needed to steer it out of this situation. The meeting also heard that in the next few days or weeks the issue of financial support would be decided. In the beginning it will come from our resources, but then, in about a month or one and a half months, we will probably receive German aid worth 18-20 million German marks as well as credit from the European Bank for Reconstruction and Development. The Americans, the French, and others are also helping us. The main thing is to use this aid in time for us to be relatively well-prepared for the winter.

The meeting set specific tasks for government agencies, ministries, and local bodies of power. It was decided to transfer to the local government leaders the brunt of responsibility for using electricity within the approved limits and paying for it. I would like to tell all heads of administration and the head of state's [regional] representatives once again that they should keep this problem under their daily supervision and be occupied with it every hour. [passage omitted]

The Ministry of Internal Affairs, together with the Security Service should show increased vigilance in its struggle against crime in order to finally overcome theft of power-generating equipment. We should put an end to it in Georgia. This is a terrible, disgraceful, and antistate phenomenon. In dealing with it, local government leaders should be especially accountable.

Yesterday's accident [which resulted in a blackout throughout most of Georgia] occurred largely due to the poor condition of high-voltage transmission lines. A lot has been stolen or damaged. That is why the situation on the so-called Imereti line is extremely unstable, which caused yesterday's accident. We must do our best to repair all lines. We should try to obtain money, take

out loans, make concessions in order to finally repair the grid. [passage omitted]

Georgia had its say during these [VE Day] celebrations in Moscow. It was not by mere chance that some statements made in Moscow consequently came to the attention of world politicians and the media. I will not say anything now. Everything will become known later.

Everyone saw clearly that Russia is a key state at present, as it was at the time of World War II; not only at the time of World War II but also at the end of the Cold War, when the Soviet Union was a key state and Russia was a key state. It is still a key state today, and this is the main thing.

I do not think that the fact that one or two issues were not resolved at the summit in Moscow is a great disaster. This happens in real life. The Moscow summit showed that they are capable of inheriting the best traditions of the time of the anti-Hitler coalition and the battles against the Cold War. This is a very important and promising result. This also means a lot for Georgia. I returned from Moscow with great impressions and a certain optimism. The basis for this are my contacts with the Russian president, prime minister, and heads of almost every government agency that we are currently dealing with, as well as meetings with Western officials and leaders. [passage omitted]

[Oniani] Last week the election results in France finally became clear. [passage omitted] Jacques Chirac was elected president. Will this lead to a change in France's attitude to our country? [passage omitted]

[Shevardnadze] I will not hide the fact that I was sincerely pleased by Chirac's election. I am sure that he will be one of the most prominent leaders of the European peace process. I know him well and have always liked him very much. I believe that France's

contribution to building a new Europe will be in keeping with Chirac's powerful political personality. Of course, together with me, my country also welcomes his election as president, and I think that it is very good for Georgia. [passage omitted]

Communist Party Outlines Platform

LD1405131095 Tbilisi First Program Television Network in Georgian 1500 GMT 13 May 95

[FBIS Translated Excerpt] We do not want a communist society perverted by Khrushchev and Gorbachev. The party's aim is to restore the policies laid down by Stalin, said Vano Tsiklauri, first secretary of the Central Committee of the Georgian Communist Party, at the constituent meeting of the Kareli District branch of the Communist Party held in the village of Agara.

[Begin unidentified correspondent recording] There are three organizations of communist orientation in Georgia: the Georgian Communist Party, the United Communist Party, and the Stalin Party. The difference between them can be described by one sentence heard at the meeting: Unlike other communist parties, the Georgian Communist Party is not fighting against the authorities but merely offers them its services and experience, the need for which has been evident in the past few years. [passage omitted]

In his address, Vazha Khachapuridze, member of parliament and a member of the Bureau of the Central Committee of the Georgian Communist Party [and Eduard Shevardnadze's representative in South Ossetia], discussed problems facing the young people and the desperate condition of schools and other educational institutions. He said that unless stability is restored in the republic, no one will be able to achieve anything. [end recording]

Estonia

Vahi: Former Government Hindering New Work

*WS1505110895 Tallinn ETA in English
1818 GMT 12 May 95*

["News Release"]

[FBIS Transcribed Text] The former coalition government is trying to hinder the work of the new government, as it has made long-term contracts with higher state officials just before the new government came to power, Estonian Prime Minister Tiit Vahi told a press conference on Saturday.

"By that means Fatherland Party has secured their positions just before leaving," Vahi said. He said that a 18-month contract had been signed by state secretary Ulo Kaevats directly before Andres Tarand left his post as Prime Minister. Kaevats had then made contracts with chancellors of the ministries, and the latter with deputy chancellors and heads of more important departments. Vahi said that now any minister of the present government had to start his/her work alone and without the possibility of forming his/her own team. The replacing of a chancellor would cost 100,000 Estonian kroons and would make a hole in the budget of the Ministry.

Head of Coalition Party faction in Riigikogu [parliament] Mart Siimann said that some of the young people employed by the former government were very talented but some were incompetent. Vahi assured that the new government was not intending to replace all those officials, but every Minister should have a possibility to carry out his own policies with his own team.

The chancellor of a Ministry should be a nonpolitical person, Vahi said. A Minister should go to its Ministry with own councillors, as it would guarantee a nonpolitical state machinery.

Mart Laar, head of Riigikogu Fatherland faction and former Prime Minister, has said in a comment that all the people chosen were nonpolitical, as any chancellor should be, and so they can not pose any threat to the present government.

Government is making first changes in the Interior Ministry, Vahi said. He pointed out the activities of Interior Minister Edgar Savisaar in employing new people, his effective work in public relations and in preparing new bills.

"We wish to make more severe penalties for owning guns illegally — the time of lax penalties should be over in Estonia," Vahi said. The percentage of cases where the criminal is found should be much higher so that the principle of the inevitability of punishment would apply.

Opposition Favors Dissolving State Radio, TV

*LD1405144895 Tallinn Estonian Television Network
in Estonian 1800 GMT 13 May 95*

[FBIS Translated Text] Reform Party Chairman Siim Kallas said on 11 May on RTV [private TV channel] that he believes the state-financed Estonian Radio and Estonian Television must be dissolved.

According to Mart Siimann, chairman of the faction of the Party of Consolidation in the Riigikogu, it is regrettable that Estonia still does not have a state media policy. He said the new coalition will take responsibility for drawing up a media policy.

[Begin Kallas recording] This is possibly just one part of the set. We simply believe that financing institutions and solving matters through institutions often leads to great inefficiency. It is likely to be more reasonable for the state to implement its policies through special programs, grants, and other such tools. World practice also demonstrates that for society, such institutions become a burden rather than a solution. [end recording]

The issue of abolishing state-financed radio and television stations could become the first area of mutual understanding between the government coalition and opposition. The impression is that agreement on the issue has not yet been reached.

[Begin Siimann recording] When I spoke on this program, my position was that so far there can be no question of dissolving Estonian Television and Estonian Radio. However, the principles of financing public and statutory television could be changed. For example, Estonian Television should not spend all the taxpayers money it receives on producing its own programs. It could put programs out to tender, and the competing domestic video firms and commercial TV stations that gain the contract would offer their programs. The main idea is that Estonia needs a media policy. Media policy could be one area where the coalition and opposition work together, inform the public, and involve the public in the process. [end recording]

Defense Minister on Drafting Key Defense Aims

LD1305114195

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian at 1000 GMT on 13 May broadcasts a 10-minute interview with Defense Minister Andrus Oovel and war historian Rein helme by station correspondent Piret Kriivan, who sums up events of the past week. Kriivan recalls a conference on World War II which took place in Tallinn on 8 May, where she interviewed the defense minister and Helme on defense issues.

Kriivan asks Rein Helme about guarantees to Estonian security. Helme says:

"Estonian security is guaranteed by two factors. First, by a policy, our foreign policy, which is intelligent and good for us. Second, of course, by restoring our national defense resolution, because as soon as the resolution is restored things will improve in our defense force, regardless of us having sufficient funds or not, because one can work wonders with little money."

Asked whether the country needs a defense concept, which he has promised to draft within the next three months, Andrus Oovel says:

"I believe that such a document is extremely necessary. A government sitting on 4 May indeed adopted a resolution, to the effect that having heard the points to start from, as proposed by the Defense Ministry, the key aims of state defense policy are to be drafted and the Defense Ministry has been given 3 weeks to do so. I believe that this is extremely necessary because the existing legislative acts set down our state defense principles in very general terms. Indeed, Articles 54 and 124 of the Constitution make it obligatory for the whole population to take part in state defense, but they do not specify in what form and how this should be achieved."

Oovel adds that Estonia is building a defense force whose motto could be described as help, assistance, and rescue, rather than building a force of destruction.

Asked whether there are any lessons for Estonia to learn from the past, Oovel says:

"I believe we have to build a state defense system which makes it impossible for the shame of 1939 and 1940 to be repeated. We must be prepared with both our personnel and material resources to offer resistance which would cause a potential enemy losses of such magnitude that it would give up attacking our state."

Foreign Minister on EU, WEU, NATO Integration

LD1305164895 Tallinn Radio Tallinn Network in Estonian 1700 GMT 13 May 95

[FBIS Translated Excerpt] Estonian Foreign Minister Riivo Sinijarv is working in the heart of Europe. Madis Mikko reports from Brussels:

[Passage omitted] [Begin recording] [Mikko] Minister Sinijarv. You arrived here from Strasbourg yesterday. [passage omitted] With whom did you hold bilateral meetings?

[Sinijarv] I spoke to the prime minister of Portugal, and to the Irish and Swiss foreign ministers. [passage omitted]

[Mikko] You have had a very busy day in Brussels — a meeting at the Western European Union and three meetings in NATO. If we start with the WEU, what was the message you took with you?

[Sinijarv] The message I took there, which I took also to NATO, is that in Estonia a new government has come to power, and this government will continue the policy of reform. The aim is to complete the reforms and to set Estonia on the path of stable economic growth. Our foreign and security policies are to continue: This means, primarily, our integration into all European organizations — into the EU, WEU, and NATO — where we already take part through the Partnership for Peace program. [end recording] [passage omitted]

Latvia

President Ulmanis Departs for Visit to Portugal

LD1405174495 Riga Radio Riga Network in Latvian 1702 GMT 14 May 95

[FBIS Translated Text] President Guntis Ulmanis left for Portugal on his first state visit this year. This is a return visit that follows a visit to Latvia by Portuguese President Mario Soares last October. The aim of the visit is to promote economic cooperation and set up a legal basis for bilateral relations.

Foreign Minister Comments on Talks in Strasbourg

LD1205185095 Riga Radio Riga Network in Latvian 1700 GMT 12 May 95

[FBIS Translated Text] To encourage the exchange of information, in future there will be regular meetings of the ambassadors of the Nordic and Baltic countries at the Council of Europe headquarters in Strasbourg, journalists were told today by Foreign Minister Valdis Birkavs on his return from Strasbourg. As is known, on 10 and 11 May in Strasbourg there was a session of the Ministerial Committee of the Council of Europe, with the participation of Latvian representatives for the first time as full members. Birkavs informed the heads of the foreign affairs departments and Foreign Ministry representatives of the other countries about the situation in Latvia, including the problems connected with the presence of demobilized Russian army officers in our country.

In talks with the Danish foreign minister, they discussed how Denmark could help to defend Latvia's interests in several international organizations which have not so far admitted our country, and in countries which at present do not have a direct Latvian presence. During the talks Birkavs also asked for all conditions to be considered and assessed for the introduction of a visa-free regime between the two countries.

As is known, while visiting Strasbourg the foreign minister signed the general convention on the protection of national minorities of 10 November 1994. So far it is only a moral obligation, as the concept of minority itself has not been defined in the convention. We have to arrive at that ourselves. The convention is an indicator of the way we are going, explained Birkavs.

With the Swiss foreign minister, Valdis Birkavs discussed the future activity of the mission in Latvia of the Organization for Security and Cooperation in Europe. As is known, in 1996 Switzerland will be the presiding country in this organization. In the near future the foreign ministries will start work on treaties on the non-imposition of dual taxation and the protection and promotion of mutual investment. Soon a meeting of the two countries' business people is planned in Switzerland.

Greens Agree to Election Coalition With Conservatives

*LD1405184995 Riga Radio Riga Network in Latvian
1701 GMT 13 May 95*

[FBIS Translated Text] An election coalition agreement between the Green Party and the Latvian National

Conservative Party [LNNK] was approved at a congress of the Latvian Green Party today. It provides that the two parties will take part in the Saeima elections with a joint list, and after their election they will work as one faction. They will be supporting the creation of a national state, a balanced policy in developing an ecologically clean environment, and an active state policy in culture and education. On the joint list of candidates for the elections the LNNK will have 80 people, and the Green Party will have 20.

Last spring, the Greens successfully participated in the local elections in Riga where together with the LNNK they secured 22 seats in Riga Council.

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